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House of Representatives

The House met at 12 o'clock noon.

Rev. Harry E. Olson, Jr., pastor, Messiah Lutheran Church, Fargo, N. Dak., offered the following prayer:

Let us pray.

Almighty God, the eyes of all wait upon Thee in this moment of silence and prayer. Empower these chosen men and women with evidence of the spirit of God within them. Help us to remember that this place is not an island unto itself but a part of the mainland. It is within these walls that we must remember the needs of all men. To that end enable those in positions of responsibility with such a sense of duty that no self-interest shall turn them from it. May we full well realize this day, O Lord, that history is being made by our judgments and the destiny of men's lives charted by our decisions. Grant Thy mighty aid to the efforts of men to establish peace among the nations of the world, through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

THE PRESIDENT'S ACTION IN THE DOMINICAN REPUBLIC

Mr. ALBERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, I am sure the American people and the Congress will not only support strongly but appreciate the action taken by the President of the United States in dispatching troops to the Dominican Republic for the purpose of safely evacuating American civilians and other foreign nationals. The President had no alternative under the circumstances.

The President had made urgent appeals to both sides in this struggle to cease fire long enough to permit the removal of civilians from the area. His petitions were ignored. Those in charge of the law-enforcement agencies of the Dominican Republic had notified American officials that it would no longer be possible for either civilian or military personnel on the ground to protect American citizens.

Under the circumstances the action of the President of the United States was not only correct; it was absolutely necessary. Marines were used in a protective evacuation and up to this time have not engaged in any shooting incidents.

The President has been joined in his appeal for an immediate cease fire by the Organization of American States which will present a formal request at an open meeting of the OAS later today.

I understand that the French Republic also has taken steps to protect the lives of its citizens in the Dominican Republic by sending in two warships for evacuation purposes.

THE SITUATION IN THE DOMINICAN REPUBLIC

(Mr. RIVERS of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIVERS of South Carolina. Mr. Speaker, I want to supplement and approve what the majority leader has said concerning the Dominican Republic. It has been established beyond the peradventure of a doubt that while that which the commentators have referred to as a local and internal conflict which started with the best intentions in the world to keep it a local affair, it has been documented that those now in charge have been oriented, trained, and directly identified with Castro's Cuba and that they are Communists. There is no question about this. It has been established.

The Americans in that part of the world were in grave danger. The local government could not cope with this type of warfare. The people in charge of this activity have been trained to conduct this type of guerrilla warfare and the government was unable, even with the implements in their possession, to control it.

It has also been established that those who started this and who had good intentions have repudiated the present leadership. After getting these facts the President had no alternative.

The Marines are now ashore and this is the only way to protect the Americans. There are great numbers there. I applaud the action of the President. He had to act as he did. I am sure he will have the backing of the Congress and of the American people because had he not acted, Castro—and it was his intention to do so—could well have taken charge of the Dominican Republic. We cannot and must not permit such a thing to happen as happened in Cuba. It will happen if we are not firm and if we had not acted as we have.

LANDING OF MARINES IN THE DOMINICAN REPUBLIC

(Mr. EDMONDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Speaker, our distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT], and the distinguished chairman of the House Committee on Armed Services, the gentleman from South Carolina [Mr. RIVERS], have already said much more eloquently and authoritatively than I can say what I came to the floor today to remark upon.

Mr. Speaker, there is no question of the fact that the landing of our marines in the Dominican Republic is a matter of very grave import. There is no question of the fact that having our marines in battle positions in this capital city poses a very grave crisis in our relations in the Western Hemisphere. But I believe the President has undoubtedly been in possession of information on this subject which has not been available to most of us. I believe further that the course of wisdom is to give to him the full and strong support which our Presidents have uniformly commanded in the actions which they have taken to protect American interests around the world. To me it is encouraging that our good friends and neighbors in Latin America are urging restraint on the subject in the reactions of the capitals of those countries on this subject as the Council of the Organization of American States meets today.

Mr. Speaker, I hope that in the halls of this great body and the other body on

the other side of the Capitol and across the country there can be restraint in any criticism of the President's actions at this time and support for the Chief Executive and Commander in Chief as he endeavors to meet a fresh threat to freedom and justice in the democracies in the Western Hemisphere.

CALL OF THE HOUSE

Mr. SPRINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. MAHON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Ashbrook	Halpern	Pepper
Ashley	Hanna	Powell
Blatnik	Harris	Redlin
Bolton	Harvey, Ind.	Resnick
Broyhill, Va.	Hawkins	Schisler
Corman	Hays	Scott
Culver	Holland	Senner
Daddario	Jarman	Sisk
Dawson	Jones, Ala.	Steed
Dingell	Lindsay	Todd
Dow	Madden	Toll
Duiski	Mathias	Tupper
Evans, Colo.	May	Van Deerlin
Farnsley	Moeller	Waggonner
Giaimo	Morrison	White, Idaho
Gibbons	Nix	Willis
Goodell	O'Brien	Young
Green, Oreg.	Olson, Minn.	

The SPEAKER. On this rollcall, 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON EDUCATION AND LABOR

Mr. POWELL. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit during general debate during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTION OF ROLLCALL

Mr. MATSUNAGA. Mr. Speaker, on rollcall No. 81 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL, 1965

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 7091) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, since this bill is over $109 million more than was approved by the House a couple or three weeks ago, may I assume the gentleman will take ample time to explain where these increases occur and why?

Mr. MAHON. I shall undertake to do so and will be glad to yield to the gentleman for any inquiries or statement he wishes to make.

Mr. GROSS. Mr. Speaker, I thank the gentleman from Texas and withdraw my reservation of objection.

Mr. SAYLOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SAYLOR. Will it be possible to get a separate vote on one of the items in disagreement?

The SPEAKER. If an item is reported in disagreement, that would call for separate action.

Mr. SAYLOR. Will it be possible to get a separate vote on an item involving veterans' insurance?

Mr. MAHON. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 28, 1965.)

Mr. MAHON. Mr. Speaker, I would like to announce that the Committee on Appropriations this morning approved a recommendation of about $8 billion for the Departments of Labor, and Health, Education, and Welfare, and the bill is scheduled to be before the House for consideration on next Tuesday. We are continuing to move along with these appropriation bills.

Now, Mr. Speaker, today we have the conference report on the second supplemental appropriation bill of the session.

There are three items in disagreement where the committee has insisted upon the House position. They relate to a number of matters, and on one of them the gentleman from Pennsylvania [Mr. SAYLOR] has already indicated a desire to be heard.

Mr. Speaker, I believe it would be well if we withheld discussion of these especially controverted questions until we have adopted the conference report. We will have an hour, if necessary, on each of the separate motions. The Members who have an interest will have full opportunity to discuss the issues involved.

Mr. Speaker, insofar as the conference report itself is concerned there is no great controversy.

As the conference report will indicate, there is about $2.227 billion involved. It is over the House bill by $109.2 million. It is under the Senate bill by $30.3 million. It is under the budget estimates by $52.7 million.

Mr. Speaker, in this supplemental bill we only considered matters generally considered of the greatest urgency. Naturally, there is not the latitude for deep reductions that might otherwise have been taken. So the reduction in the bill, in this $2.2 billion, is only $52 million below the budget estimates.

Mr. Speaker, the other body had before it some $53 million in budget requests not considered by the House. This accounts for a large portion of the increase made by the other body.

Another matter here involves $30 million which the House disallowed to provide funds under the urban renewal program. The House did not consider this to be of an emergency nature, but it must eventually be paid under the law. The other body put it in the bill and we have agreed to it. We thought it could be provided in the regular bill, but in order to come to agreement with the other body we agreed to it.

Mr. Speaker, I would also call the attention of the Members to the $100 million contained in the bill for the Small Business Administration in which many are interested. There are, in addition, a large number of items in the bill involving the Department of Agriculture, the District of Columbia, the foreign operations program, independent offices, the Interior Department, the Department of Health, Education, and Welfare, and Labor, the legislative branch, public works, the Departments of Justice, Commerce, and the Judiciary as well as the Department of the Treasury. Many of these—most of these, in fact—are of course unchanged from the original House position.

Then we have funds in here for Appalachia, and a lot of money for pay increases. We passed a bill providing for pay increases throughout the Government and appropriations had not previously been made to cover those increases. In many cases the funds were partially absorbed, but not in all cases was that possible. Again the other body did not change the great majority of House amounts.

As I said, Mr. Speaker, I know of no objection to the conference report itself.

Mr. Speaker, I yield to the gentleman from Iowa for a question.

Mr. GROSS. It has come to the point in the House of Representatives and in the Congress where regular appropriation bills have less and less meaning; is that not true?

Here you have another supplemental or a deficiency appropriation bill amounting to some $2.25 billion. So that the regular appropriation bills really do not mean what they say or say what they mean.

Mr. MAHON. I believe that the regular appropriation bills say what they mean. We will probably never get completely away from supplemental and deficiency bills if we follow the pattern of last year. After the regular appropriation bills had been approved, the Congress passed new legislation changing the picture and at least implying additional demands for this current fiscal year, 1965. New legislation, mandatory-type items, and emergency measures account for 85

Registrations of applicants in the various countries, since the beginning of the program, have been as follows:

Country	In camp	Out of camp	Total
Austria	996	2,435	3,431
Belgium		1,602	1,602
France		8,759	8,759
Germany	630	3,382	4,012
Greece	986	290	1,276
Italy	4,467	2,603	7,070
Lebanon		3,564	3,564
Total	7,079	22,635	29,714

Of the refugees who registered during the ninth period, 397 were camp residents and 1,597 were out-of-camp residents.

As of December 31, 1964, a total of 8,600 aliens, who have been in the United States for at least 2 years after their parole as refugee-escapees had been inspected and examined for admission, and accorded the status of permanent residents under section 4 of the act.

During the ninth period, the Congress approved private laws for four aliens in the United States, providing that these aliens shall be held and considered to have been paroled into the United States as provided for in the act of July 14, 1960.

In compliance with the provisions of section 2(a) of the act, detailed reports on individuals paroled into the United States are attached.

Sincerely,

RAYMOND F. FARRELL,
Commissioner.

THE DOMINICAN CRISIS

(Mr. BENNETT asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, President Johnson is to be highly commended for his prompt action in sending in U.S. marines to the Dominican Republic to protect U.S. citizens in the country.

I sincerely hope the Marines may also serve as an indication of U.S. assistance to protect the freedom and stability of the government in that area of the world.

Although the activities of the original revolutionary forces in the country were apparently led by freedom-loving people, as far as the leadership was concerned, it seems clear to me now that the present leadership of the revolution is in the hands of Castro-Cuban-trained Communist agents.

Under these circumstances it is necessary, I believe, for the Organization of American States, or the United States acting independently, to bolster the stable and free government in the country to prevent another Cuba.

Today I have reintroduced a resolution, first introduced in 1961 by me, that asserts the sense of Congress to be that in emergency situations such as the one we have today that the United States and other free countries in this hemisphere do not have to wait on the action of the Organization of American States to deal with emergencies of this type.

The resolution follows:

Whereas the intervention of international communism directly or indirectly in an American republic would constitute a fact or situation threatening the sovereignty and political independence of the states of the entire New World; and

Whereas the American continents, by the free and independent position which they have assumed and maintained, have long since ceased to be considered as subjects for future colonization by any European power or powers; and

Whereas the intervention of international communism, directly or indirectly, or however disguised, in any American state, would be in effect such a colonization by a non-American power or powers, and would violate the sovereignty and political independence of an American state; and

Whereas such a fact or situation extended to any portions of this hemisphere would be dangerous to the peace and safety of the United States and the American continents; and

Whereas the American Republics have condemned intervention or the threat of intervention, even when conditional, from any extrahemispheric power and have rejected the attempt of the Sino-Soviet conspiracy in its attempt to destroy hemispheric unity and security; and

Whereas in the rapidly developing contingencies of the atomic age there might not be time to assemble a meeting of the Inter-American Organ of Consultation to provide for joint action to repel the danger: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That if such a fact or situation should present a sudden emergency, then any one or more of the high contracting parties to the Inter-American Treaty of Reciprocal Assistance would be justified, in the exercise of individual or collective self-defense under article 51 of the Charter of the United Nations, in taking steps to forestall intervention, domination, control, and colonization by international communism in the New World.

In case of such defensive measures having been taken by the defending state or states, it or they should report to the Inter-American Organ of Consultation, to the end that an emergency committee, after the manner provided by the Convention of Havana of 1940, be set up for the provisional administration of the state thus defended, pending its restoration to a government of the people, by the people, and for the people.

WARSAW GHETTO UPRISING

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, spring is a time of year when all nature seems to come back to life. It is a joyous time; a time of renewal; a time of regeneration.

But, over two decades ago spring was not such a time for the Jewish inhabitants of the Warsaw ghetto; for theirs was a spring of sorrow, a spring of tragedy, a spring of death.

To speak of the Warsaw ghetto is to speak again of man's inhumanity to man.

Before Poland was overrun by the German and Soviet military forces in September 1939, the Jewish population of Poland was estimated at 3 million. On the eve of the invasion the population of the Warsaw ghetto was placed at approximately 300,000. After the Nazi and Soviet conquest of Poland, Jews from other areas throughout Poland were brought into the ghetto. The ill-fated inhabitants of the ghetto now numbered an estimated 450,000.

This is a formidable number of people, a number almost equivalent to the population of the city of Buffalo, N.Y.

These people, these unfortunate souls, imprisoned in their ghetto, were destined by fate and by the will of their Nazi overlords for total extermination; they were destined to be destroyed in the Nazi crematoriums.

In November 1940 the Nazi rulers of Warsaw began to take measures that would eventually lead to the so-called "final solution" of Poland's Jews. At that time the Warsaw ghetto was sealed off, and the prisoners, subjected to starvation, disease, and cruel and inhuman treatment by their Nazi captors, awaited the tolling of their death knell.

The destruction of the Warsaw ghetto and its inhabitants was carried out in an orderly and systematic manner, a manner that fits very well the image and reality of Nazi precision and thoroughness.

The "final solution" got underway in the summer of 1942.

On July 22, 1942, the Nazi forces began a systematic reduction of the Warsaw ghetto. On that day, they transported 6,289 persons to Treblinka where they perished.

On the following day, July 23, another 7,815 were transported; on July 24, another 7,444.

During the period from July 2 to July 23, 66,701 were taken from the ghetto.

In August, another 142,353 were removed.

In September, the number was 56,730.

It has been said that after this forced evacuation during the summer of 1942 only an estimated 40,000 to 50,000 Jews remained in the Warsaw ghetto. Reduced in numbers but not in their determination these human remnants of the Warsaw ghetto began in January 1943 to stage an open resistance to the Nazi campaign of extermination.

Let me say at this point that the details I am about to relate are taken from an account written in May 1943 by eyewitnesses.

According to this account, in early December 1942 a new wave of massacres and deportations began. Rumors circulated in Warsaw that January was the deadline. On January 18, the Germans began a campaign of total destruction that led to the obliteration of the Warsaw ghetto.

Early in the morning on January 18, strong detachments of the Nazi SS and their henchmen entered the ghetto. But, to their surprise some of the imprisoned Jews, in a final act of desperation, barricaded themselves in blocks of houses and mounted a bitter and heroic last-ditch fight.

In the first few days of the attack the Germans lost a score of dead and a few score wounded. The battle raged on until January 23, whereupon German tanks drove into the ghetto. Houses were burned down, and their dispossessed inhabitants were captured and killed. Over a thousand Jews perished.

However, the majority in the ghetto were forced to submit to the Nazi terror. Large transports departed each day for Treblinka; and after a few days this initial resistance to their Nazi oppressors ceased. The fate of the tragic remnants in the ghetto was still undecided.

To allow it to become marginal and then nonproductive would be inviting famine at some future date. The wornout and eroded soil of many countries has caused food to be scarce in them and hunger and malnutrition to be high.

Even with the technical aid the Soil Conservation Service has been giving, it is difficult to obtain the cooperation of all land owners. Without this aid soil districts would probably lose much of their usefulness. We believe there are many other departments of Government, which could stand a reduction far better than the Conservation Service.

For a number of years we have believed that the most useful money expended by the Federal Government in water control is at its source. If through the construction of terraces, structures, ponds, timber and grass strips on the lands where the water originates its flow can be slowed, giving it a chance to seep into the ground, then the erosion will be checked and the heavy silting of our main streams will decrease. Such a plan can also raise the level of our water table and lessen the danger of water shortage.

Dams and levees have been constructed to control floods, but slowing the runoff at the source would be much more effective in the long run. The Soil Conservation Service provides the most important aid, which can be given by the Government to the landowner, and it should not be curtailed when so much remains to be done and there is such unnecessary waste in other departments of Government.

IMMIGRATION HEARINGS

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Speaker, I take this opportunity to announce that hearings on pending immigration legislation by the Subcommittee on Immigration and Nationality have been delayed necessarily because of consideration of the voting rights bill by the full Judiciary Committee.

Our hearings opened on March 3, 1965, at which time Attorney General Nicholas Katzenbach appeared before the subcommittee. Secretary of State Dean Rusk, Secretary of Labor Willard Wirtz, and representatives of the U.S. Public Health Service appeared at subsequent hearings. We have taken testimony from interested Members of Congress and the record of hearings is still open for inclusion of statements from other interested Members.

It has been necessary to cancel scheduled hearings on three occasions since completing testimony from the Public Health Service on March 31, 1965.

I wish to assure representatives of nongovernmental organizations and the interested public who have made written requests to appear, that we expect to take up this phase of our hearings during the week beginning May 10. Full Judiciary Committee meetings preclude setting an earlier date. Notice will be provided witnesses of the day and time set for their appearance.

REPORT ON REFUGEE ADMISSIONS

(Mr. FEIGHAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FEIGHAN. Mr. Speaker, pursuant to the provisions of the act of July 14, 1960—Public Law 86-648—the so-called fair share law, enabling the United States to participate in the resettlement of certain refugees, the Attorney General is directed to forward to the Congress every 6 months a report on administrative operations authorized under that law.

In view of the continuing interest of my colleagues in the House and for their information, I wish to include in the RECORD at this point the ninth semiannual report of the Commissioner of Immigration and Naturalization covering the operations from July 1 to December 31, 1964, together with a summary covering the preceding eight semiannual periods.

Detailed case reports on each person paroled into the United States are in the custody of the Committee on the Judiciary and are available for inspection by any Member of the House at the office of subcommittee No. 1 at 2139-A Rayburn House Office Building.

The report which is addressed to the Speaker of the House of Representatives is as follows:

U.S. DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D.C., February 4, 1965.

Hon. JOHN W. MCCORMACK,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Refugee operations under the act of July 14, 1960, as amended by the act of June 28, 1962, were continued during the 6-month period ending December 31, 1964. This was the ninth 6-month period of operations under the act. During the preceding 6-month period, according to advisory report furnished by the Secretary of State, 17,651 refugee-escapees, as specified in section 1 of the act, availed themselves of resettlement opportunities offered by nations other than the United States. Accordingly, the number authorized by statutory "fair share" during the period covered by this report was 4,413. During the period, 1,994 registrations were received from refugees in the seven countries in which refugee operations were carried out under the act.

In addition to the 1,994 refugees who registered under the act during the 6-month period, there were 366 registrations pending at the beginning of the period, making a total of 2,360 refugee applicants available for consideration. Of these, 1,485 were found qualified for parole and 348 were rejected or otherwise closed, leaving 527 registrations pending at the end of the period.

The following reflects the activity in each of the countries in which the refugee operations were conducted during the period:

Country	Registrations pending June 30, 1964	Registrations received during period	Total	Found qualified for parole	Rejected or otherwise closed	Pending Dec. 31, 1964
Germany	13	130	143	49	51	43
France	50	349	399	261	78	60
Austria	31	152	183	99	25	59
Belgium	11	24	35	7	23	5
Italy	230	965	1,195	772	89	334
Greece	16	59	75	37	19	19
Lebanon	15	315	330	260	63	7
Total	366	1,994	2,360	1,485	348	527

Established screening procedures resulted in the rejection of 122 applicants during the period, on the following grounds:

Ineligible	19
Security grounds	18
Criminal grounds	3
Medical grounds	4
Immorality	0
Undesirability	7
Firmly settled	26
Split families (spouses and children left behind in country of origin)	11
Spouses and children of above principals	34
Total	122

As of December 31, 1964, the total number of refugee-escapees authorized by statutory "fair share" since the effective date of the act totaled 31,467 and a total of 29,714 refugees had registered since the beginning of the program. Statistics for the program are tabulated below:

	1st through 8th periods	9th period	Total
Authorized by statutory fair share	27,054	4,413	31,467
Pending beginning of period		366	
Registered during period	27,720	1,994	29,714
Total registered (pending plus received)	27,720	2,360	
Found qualified for parole	17,408	1,485	18,893
Rejected or otherwise closed	9,946	348	10,294
Pending end of period	366	527	

Of the refugees approved for parole to date, 365 have been approved under section 3(b) of the act, which provides for a numerical limitation of 500 "difficult to resettle" cases.

A total of 18,022 refugees, in whose cases assurances of housing and employment have been received, have been referred to the Intergovernmental Committee for European Migration for transportation to the United States. Of these, 16,322 had arrived in the United States as of December 31, 1964, as follows:

Country of flight	During 1st 8 periods	During 9th period	Total
Albania	432	18	450
Bulgaria	257	67	324
Czechoslovakia	15	9	24
East Germany	5	0	5
Estonia	14	0	14
Hungary	1,426	112	1,538
Iraq	26	0	26
Jordan	2	0	2
Latvia	70	0	70
Libya	1	0	1
Lithuania	39	0	39
Poland	929	41	970
Rumania	2,988	785	3,773
Syrian Arab Republic	46	6	52
Turkey	15	0	15
United Arab Republic (Egypt)	2,861	181	3,042
U.S.S.R.	93	5	98
Yugoslavia	5,357	522	5,879
Total	14,576	1,746	16,322

tend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

SITUATION IN THE DOMINICAN REPUBLIC

Mr. SELDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SELDEN. Mr. Speaker, the revolt which brought a request from the Dominican military for assistance in protecting the lives of U.S. citizens made the action of President Johnson last evening not only necessary but urgent as well.

In a report issued only last week, the House Subcommitee on Inter-American Affairs, of which I am chairman, pointed out that recent failures of the Communists in Latin America only increase the possibility that they will now seek to extend their influence in that area by violence and by terrorist activities. While the situation in the Dominican Republic is far from stable at this moment, there is every indication that the rebel forces are now controlled by leftist, Communist, and Castro elements.

In my opinion, the President acted wisely in sending U.S. Marines to the Dominican Republic to protect the lives of U.S. citizens. Developments in that country should be watched carefully, as there is every indication the Communists are attempting to exploit the situation.

ECONOMIC WARFARE AND ECONOMIC SUICIDE

The SPEAKER pro tempore (Mr. ALBERT). Under the previous order of the House, the gentleman from Florida (Mr. ROGERS) is recognized for 30 minutes.

(Mr. ROGERS of Florida asked and was given permission to revise and extend his remarks and to include a table.)

Mr. ROGERS of Florida. Mr. Speaker, the Soviet Union is openly engaged in an all-out effort to bury us—at sea.

This point can best be illustrated by the high priority which the Kremlin has assigned to the construction of ships for the Russian merchant and naval fleets. There can be little doubt that the Soviet Union is determined to control the oceans and trade routes of the world. As a naval power, she is already second only to the United States. As a maritime power, experts predict she will surpass the United States in less than 2 years. Because of her enormous fleet expansion program, the Soviet Union may soon be able to manipulate world ocean freight rates at will, and through a superiority in terms of numbers of ships, she may be well on the road to economic domination of the world. The weight of numbers will soon begin to tell.

As of February 1, 1965, 612 merchant vessels of various sizes and types—mostly dry cargo ships and tankers—totaling more than 4,197,200 deadweight tons were on order or under construction for the Soviet Union. With her own shipyards fully utilized, this tremendous building program is being accomplished by awards of sizable contracts to shipyards in East Germany, England, Finland, Holland, Hungary, Japan, Norway, Poland, Sweden, and Yugoslavia.

During the 3-month period from November 1964 through January 1965, the Soviet Union accepted delivery of 27 dry cargo ships. By comparison, U.S. shipyards delivered only 16 merchant vessels during the entire year of 1964. Moreover, it needs to be pointed out that other satellites in the Communist orbit—Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Red China, Rumania, Soviet Cuba, and Yugoslavia—are also participating in this maritime buildup. As will be seen from the attached tabulation, the Soviet bloc countries are building another 173 oceangoing vessels totaling more than 2,031,964 deadweight tons.

The extensive building program has obviously not been undertaken merely to serve Soviet foreign trade or as a military contingency, but must represent the Communists' approach to the cold war on the economic front, and recognition of ships as instruments of major economic influence. The present Soviet merchant shipbuilding effort alone is more than 10 times that of the United States. Nearly 2 million tons of the vessels under construction for the Russian flag are being built in Russian shipyards—an activity level 3 times that of U.S. shipyards. It should be noted that the Soviet Union has placed shipbuilding contracts with other countries—including some of our friends in the community of free nations—only because of this high degree of utilization of her own shipyard capacity.

As of February 1, 1965, there were 44 commercial vessels, totaling about 613,829 deadweight tons, on order or under construction in the United States. These involved 2 tankers, 39 cargo vessels, and 3 ferryboats. In other words, the Russians are building 15 times as many merchant ships as we are. In terms of tonnage, they are outbuilding us by a ratio of 7 to 1. And, I might add, the Soviet Union is committing large domestic resources and a substantial portion of its foreign exchange to enlarging its merchant fleet.

While the Communists are building a new and modern sea power potential, almost half of our naval fleet is composed of vessels 20 years of age and older. In less than 2 years, more than two-thirds of our Navy fleet will be overage. About 90 percent of all U.S.-flag dry cargo ships and 55 percent of our U.S.-flag tankers are 20 years of age or older. Our fleet of dry cargo ships engaged in domestic trades is virtually extinct. The average age of the ships in our Great Lakes fleet is 47 years. Our private shipyards are more than 50 percent idle. And, U.S.-flag shipping is carrying only 5 percent of our export and import commercial cargoes.

About these facts and figures, it is virtually impossible to find an adjective which would appropriately describe the depth of my concern and alarm. Our national security is at stake—so, too, is the collective security of the Western Hemisphere and the entire free world. Every new ship delivered to Russia by any shipyard on this side of the Iron Curtain nourishes the ever-extending arm of Soviet economic tyranny. It is particularly ironic that Spain—with whom we have a mutual security pact and with whom we conducted a large-scale military amphibious assault exercise only several months ago—has accepted contracts to build ships for Soviet Cuba. The necessary funds can probably be traced to the Kremlin.

One of the experts on this problem, Mr. Vincent F. Caputo, Director for Transportation and Warehousing Policy in the Office of the Secretary of Defense, stated recently:

> Spearheading the economic warfare of the U.S.S.R. is the oil offensive. In struggling for the world's petroleum markets, the U.S.S.R. has the oil, and can undercut the Western competitive prices. But it needs the tankers and pipelines that it cannot construct itself.
>
> It has asked the West to make the boomeranging poison darts that will ultimately undo the maker. And the West—a part of the West—has naively agreed to thus contribute to its own economic suicide.
>
> Last year the Soviet bloc was building 10 tankers in its own yards. But it can't meet the needs of its grand economic warfare strategy. So 43 tankers are being built for the bloc in the free world yards.

Once in a position to control the seas and the trade routes of the world, the hammer and sickle fleet will be able to force the ships of other nations into layup. To exploit Communist strategy, ocean freight rates will be deliberately and adroitly manipulated to undermine, bankrupt, and eventually eliminate free world shipping. Then, we may witness the display of Communist ships serving American ports.

There is another aspect to our present predicament. We also have the anomaly of witnessing the rapid decline of U.S.-flag passenger ships at a time when the Soviet Union and other countries are vying with one another in the construction and operation of luxury-class vessels. While in this country there are no oceangoing passenger ships on order elsewhere in the world 43 are presently under construction, and 16 of these are for the Russians.

Press dispatches of January 3, 1965, reported Soviet Russia's ambition to operate regular passenger liner service between Odessa and New York.

Agreement has already been reached on new transatlantic passenger service between Leningrad and Montreal with stop at Helsinki, Stockholm, Southampton, and LeHavre. Russia's desire for a passenger service link with the United States was expressed last year when Soviet Merchant Marine Minister Victor Bakayev stated in a Moscow press conference:

> It is our dream to have them (the new Franko-class of luxury liners being built in East German shipyards) operate on a Soviet-American service between Odessa and New York.

All of this takes place while the United States apparently has decided to abandon passenger trade. All of this takes

The Turkish Government was looking for the opportune moment to exterminate the Armenian people. This time came when the Allies were preoccupied with World War I. The Turkish Government took advantage of the isolated Armenians and at midnight April 24 arrested 100 intellectuals in the capital of Istanbul, deported them inland, then executed them. During the ensuing holy week began the deportation of Armenians from every village, from every town—black clouds hung over Armenians who were driven from their homes of 3,000 years to the barren desert land.

I witnessed with my own eyes in Syria, thousands of starved women and children—unrecognizable, skeletonlike, nearly naked Of these Armenians, noble Christians, many died before my eyes.

Between 1915 and 1918 Armenians took refuge in Syra. The Turks wanted to kill us all but they did not reach their objective. Evil never succeeds. For the Armenians that began to gather in Syria, aid came from America through the Near East relief. Orphanages and hospitals were set up. Armenians are eternally indebted to Americans for this aid.

Today 50 years have passed since those dark days and the Armenian population throughout the world has increased to at least that of 1915. Armenians have established themselves as good citizens in countries throughout the world.

In 1915 Turks made Armenia a burial ground. Armenians bore a cross on their shoulders; their faith in Christ gave them the strength to endure.

In this, the 50th year since the massacre, this must be our lesson—our martyrs died to teach us to live. Armenians all over the world are commemorating this day. We must have faith in Christ; faith in our future. Faith is a must to succeed and faith is tied to hope and love. Love of God, love of friends, neighbors—no matter of race, nationality. Love works miracles.

SPEECH BY CONGRESSMAN EDWARD P. BOLAND

The long and turbulent history of the Armenian people has been sad and tragic. Throughout its uneven course the Armenians have seldom enjoyed peace and rest in their homeland for any length of time. Their homeland, had been the bridge, as well as the battleground, of invading and conquering forces, from the east and from the west, and because of that geographic fact they have suffered in the course of wars between Rome and Persia between Byzantium and the Arabs, between Byzantium and the Turks. Numerous times their country was partitioned between Rome and Persia.

Early in the fifth century, nearly the whole country became part of Persia, and every effort was made by Persian rulers to have Armenians renounce their Christian religion.

A bitter religious war was fought in 451, one in which the Armenians were the losers, but they still refused to yield to superior Persian power on matters of conscience. By clinging to their Christian faith, they claimed moral victory over Persian authorities.

Toward the middle of the seventh century Armenia was overrun and conquered by the Arabs—and for some 250 years, Armenians lived under the ruthless Arab governors appointed by caliphs of Damascus and Baghdad.

In the late ninth century, as the Arab rule weakened, Armenians asserted their freedom, regained a good measure of independence and then for about 200 years lived in freedom and glory in the northern part of the country. That period was the medieval Golden Age of Armenia.

By the middle of the 11th century, Asiatic invaders—Suljuk Turks—were harassing the Armenians on their eastern borders. In 1071, the last Armenian stronghold surrendered to these invaders. Large groups of Armenians fled the country * * * seeking refuge and eventual homes in other lands. Thus late in the 11th century began the Armenian diaspora, the dispersion of Armenians from their historic homeland. Despite this, the majority of the population refused to abandon their native land and remained there until their extermination in 1915.

During the next several centuries, Armenians in Armenia endured all the hardships caused and brutalities committed by their Asiatic conquerors. Certain Turkish tribes replaced others as rulers of the land. As time went on, the number of invading peoples increased while the number of Armenians inevitably decreased through emigration, forced conversion to Islam and also through wanton massacres. Early in the 16th century, most of the country and the majority of Armenians were brought under the rule of the Ottoman Sultans. This did not improve the lot of the Armenian people. The Armenians were fated to suffer under their new masters as they had suffered under others—and for 400 years they endured their unenviable lot.

They made the best of a very bad situation, and through it all more than a million of them managed to survive in their homeland until the outbreak of the First World War.

And then came their national tragedy. Then came the day that we commemorate this day. Martyr's day. This day, marked by Armenians the world over, retells the brutal massacres by the Turkish rulers in April of 1915. Fifty years usually notes a golden anniversary. But not this event.

This event and this day commemorate one of the most tragic pages in the history of mankind. Think of it. Over a million Armenians massacred. This barbarous, inhuman sacrifice of human life has been exceeded in the world's history only by the insane actions of Hitler against the Jews in World War II.

And so we gather this day so that the world will never forget what happened 50 years ago to a brave and resolute people.

Is this occasion and the many, many like it throughout the world, an exercise in futility and frustration? No. I think not. The world must pause and reflect and point with shame to the events that this martyr's day brings to mind. It must not be allowed to forget. For the placid acceptance of the Armenian tragedy of 1915 begets the danger of repetition.

So I come to join with you in this meaningful occasion. To congratulate you on keeping the memory of your national tragedy alive—to commend you for your magnificent adherence to the cause of Christianity—to compliment you for not forgetting.

I express the gratitude of this Government for the contributions you have made and are making to this Nation. Your culture, your attractiveness, your intelligence, your spirit, have spread the world over. This Nation has been the beneficiary of these attributes and the United States of America appreciates them.

PROGRAM

Invocation: The Reverend Emerson W. Smith, executive director, Council of Churches of Greater Springfield.

Dinner.

Message: Garnig Philigian, chairman, board of trustees, St. Gregory Armenian Apostolic Church.

Armenian recitation: Mrs. Ardashus A. Aykanian, Mrs. Nishan H. Vartanian.

Honored guests: The Honorable Charles V. Ryan, mayor of Springfield; the Honorable EDWARD P. BOLAND, House of Representatives, Washington, D.C.

Armenian address: The Very Reverend Khachadour Guiragossian, St. Gregory Armenian Apostolic Church.

Choir: St. Gregory Armenian Apostolic Church.

Address: The Most Reverend Christopher J. Weldon, bishop of the Springfield Diocese.

Hayr Mer.

Benediction: The Very Reverend Khachadour Guiragossian.

Chairman of Armenian Martyrs' Day Observance: Ardashus A. Aykanian.

Mr. BUCHANAN. Mr. Speaker, the tragic story of Turkey's brutal slaughter of 1½ million Armenians in 1915 is a record of infamy to match the worst of the atrocities which have so filled and so defiled this century of human history. The genocide of this little nation which was America's stanch ally ranks with the crimes of Red China or of Nazi Germany. Indeed, Hitler himself drew from the fate of the Armenians inspiration to move forward in his war of extermination against Poland. To the military commanders of the Third Reich at Obersalzburg on August 22, 1939, he said:

> Our strength is in our quickness and our brutality. * * * I have given the order, and will have everyone shot who utters one word of criticism. * * * Thus for the time being I have sent to the east only my Death's Heads with the order to kill without pity or mercy all men, women, and children of the Polish race or language. Who still talks nowadays of the extermination of the Armenians?

He did well to cite the terrible fate of these brave people as his example, for this genocide by Turkey set the pattern for the other mass exterminations of our time.

This was, however, not even 50 years ago, a new pattern for the Turks. In a long record of systematic slaughter of Armenians, Greeks, and other groups, it has been estimated that Turkey has been responsible for the deaths of some 2,600,000 persons in a series of acts of genocide stretching from 1822 until the present time.

It is worthy of mention that in this 50th anniversary year of the Armenian tragedy, the nation responsible is engaged in another conflict, this time against America's friend of longstanding and stanch ally, the nation of Greece.

It is my profound hope that in this conflict we will neither be unmindful of Turkey's demonstrated propensity for violence and cruelty, or Greece's long and strong traditions of Christian faith and morality and of friendship for the United States. It is my further hope that as we remember the tragedy of these noble friends of yesterday, we shall be redetermined to keep faith with and act responsibly toward our friends of the here and now, so that nevermore shall an ally of this country suffer the terrible fate at the hands of Turkey that did the brave Armenians whose memory we honor this day.

GENERAL LEAVE TO EXTEND

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to ex-

place despite actions by the Congress more than 5 years ago authorizing the construction of two superliners to augment the U.S. fleet—one for the Pacific and one for the Atlantic service.

It is clear that we are relaxing while the Communists aggressively build more ships and expand their maritime strength. Have we failed to recognize the real aims of Communist ideology?

Much public attention must be focused on this problem. The solution can be found only through nationwide resolution, stating in effect that America needs and wants a strong merchant marine. A first step could be taken by this Government, acting in the interests of the American people to preserve and build a strong merchant fleet for the sake of national defense. A first approach may well be increasing the requirement that U.S. Government-generated cargoes be shipped aboard American merchant ships. Is the present requirement that 50 percent of U.S. Government cargoes be carried by our own ships and crews sufficient? I do not think it is. More Government cargoes for our own shippers would help their business, create demand for more ships to be built, and cause adjustments in our national maritime policies. And cutting down the amount of U.S. Government cargoes shipped aboard foreign-flag ships would certainly cut down the outflow of U.S. gold. This step would surely be appropriate for the Government to take.

To serve the national interests on the oceans and Great Lakes, where foriegn shippers have penetrated to the point where they carry the majority of cargoes transported into the heartland of America, a reappraisal is in order. We must note the difference between destructive pennypinching and constructive investments.

The American people must be awakened to the threat that faces us on the oceans. We must recognize the wisdom of engaging in realistic maritime and shipbuilding programs. We must realize the time for action is now. To delay longer could be disastrous.

As part of my remarks I ask that the following table be included:

Communist shipbuilding contracts on order as of Jan. 31, 1965

	Number	Deadweight tons
Soviet Russia:		
Dry cargo vessels	427	2,269,900
Tankers	120	1,769,800
Bulk carriers	7	157,500
Passenger and specialized vessels	58	(1)
Total	612	4,197,200
Poland:		
Dry cargo vessels	71	531,400
Bulk carriers	6	135,000
Total	77	666,400
Yugoslavia:		
Dry cargo vessels	18	139,000
Tankers	8	264,000
Bulk carriers	11	320,000
Passenger and specialized vessels	4	(1)
Total	41	723,000

Communist shipbuilding contracts on order as of Jan. 31, 1965—Continued

	Number	Deadweight tons
Bulgaria:		
Dry cargo vessels	5	41,295
Tankers	2	49,900
Total	7	91,195
Rumania:		
Dry cargo vessels	6	38,500
Tankers	2	71,900
Bulk carriers	8	204,000
Total	16	314,400
Red China:		
Dry cargo vessels	5	70,660
Specialized vessels	1	(1)
Total	6	70,660
Soviet Cuba:		
Dry cargo vessels	8	81,709
Specialized vessels	2	(1)
Total	10	81,709
East Germany: Dry cargo vessels	14	69,200
Czechoslovakia: Dry cargo vessel	1	12,700
Hungary: Dry cargo vessel	1	2,700
Total	785	6,229,164

[1] Not available.

Source: Fairplay Shipping Journal, "World Ships on Order," February 1965.

SUPPORT FOR PRESIDENT JOHNSON'S ACTION IN DOMINICAN REPUBLIC CRISIS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, President Johnson's action in sending the U.S. Marines into the Dominican Republic to protect the lives of American citizens caught in the attempted revolt, is urgent and necessary and I fully support it.

Furthermore, it appears that the revolutionary group is infiltrated by Castro Communists and they are attempting to take over the Dominican Republic.

The United States should promptly support the request for assistance by any anti-Communist provisional government so that this attempted takeover can be quashed.

The Organization of American States acting under article 39 of the charter of the OAS should immediately send an observation group to the Dominican Republic to assure the Latin American countries and the other nations as to what is transpiring and to insure the return of a democratic government to the people of Santo Domingo.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, I want to say that I commend the gentleman for his comments and I agree with him. It is my sincere hope that the President's actions represent a foreshadowing of the new approach that our Government will use in its foreign policy, that wherever the lives of Americans are in danger in any part of the world, the President will use whatever strength and force is necessary to give protection to American nationals.

STATUTES, REGULATIONS, POLICIES, AND PRACTICES OF SELECTED FOREIGN COUNTRIES PROVIDING FOR PREFERENCES FOR DOMESTIC MATERIALS AND FIRMS IN THE AWARDING OF PUBLIC SUPPLY AND PUBLIC WORKS CONTRACTS

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 1 hour.

Mr. SAYLOR. Mr. Speaker, continuing the series of findings developed out of a study of the public purchasing policies of leading industrial nations doing business with the United States, I am today presenting the third of a series of documents that first appeared in the CONGRESSIONAL RECORD on April 27. The set to be included at the end of my remarks relates to the policies and practices of France, Germany, Italy, Greece, and Turkey.

As this series is continued, Members of Congress can understand more clearly and to appreciate more sympathetically why American industry and labor cry out against the U.S. Government's insistence on buying with tax funds for public use the products of alien industry and labor when the facilities and manpower to make them are available at our own plants.

Why, we ask, are U.S. Treasury funds expended outside this country at the expense of this Nation's work force?

Why, when our unfavorable balance-of-payments position threatens our whole monetary stability, are Federal dollars not kept at home whenever practicable?

Why is our own self-interest ignored when our friends abroad are so careful to exclude use of American products for public works projects?

It would be naive to suggest that the U.S. Government is pursuing its anomalous course as a gambit or strategem to induce reciprocal treatment, for by now it must be obvious even to the most stubborn doctrinaire that the most friendly governments are not so magnanimous as to make contracts with outsiders while home industries and workers go begging.

The one remaining question, Mr. Speaker, is: How much longer must we tolerate Federal frivolity favoring foreign fiduciaries?

Following is part three of the series:

FRANCE

(Member of EEC, GATT, and OECD)

French Government contracts are generally governed by the Public Contracts Code established by Decree No. 64-729 of July 17, 1964 (Journal Officiel, July 21, 1964, p. 6438), which is for the most part a codification of a large number of earlier decrees and other regulatory provisions.

The Code provides for the following principal methods of letting contracts:

1. Open public tendering (adjudication cuverte): bidding is open to all interested persons.

2. Restricted public tendering (adjudication restreinte): Only persons approved by the contracting authority may submit bids.

3. Open invitation for bids (appel d'offres ouvert): Bidding is open to all interested persons.

4. Restricted invitation for bids (appel d'offres restreint): Only persons approved by the contracting authority may submit bids.

5. Private contract (marché de gré à gré): The contract may be negotiated with a supplier or contractor selected by the contracting authority.

The Code also provides for a special type of competitive invitation for bids (appel d'offres avec concours), which is authorized when technical, aesthetic or financial considerations justify special research, such as a proposal for a new public building of modern design. The competition takes place on the basis of a program drawn up by the contracting authority.

Both types of public tendering and the open invitation for bids must be preceded by advertisement in the official bulletin published for that purpose and in other media, such as trade and technical journals. Most government departments maintain lists of approved suppliers and contractors and written application must be made to each department for inclusion on its list. The lists are used in the selection of suppliers and contractors who are to be contacted in the case of restricted invitations for bids as well as the negotiation of private contracts. An unofficial translation from French of the application form of the PTT (Posts, Telegraphs and Telephones administration) is attached hereto.

In the case of public tendering the contracting authority must award the contract to the lowest bidder, provided the price does not exceed the stipulated maximum and subject, in the case of open public tendering, to the right of the contracting authority to exclude bidders whom it regards as presenting insufficient moral, financial or technical qualifications.

In the case of invitations for offers the contracting authority need not accept the lowest bid and may accept the bid which it deems the most advantageous (la plus intéressante) according to objective criteria set forth in the Code.

Except for the private contract method, the contracting authority has complete discretion to select the method by which the contract is to be let. Theoretically, the use of the private contract method is limited to the special cases specified in the Code.

In any case the contracting authority always retains the right to reject every bid and to order the bidding procedure repeated. In the case of invitations for bids, the contracting authority may elect to negotiate a private contract.

Under the provisions of article 104 of the code that method of awarding contracts may be used for items of exclusive manufacture, for negotiating with owners of patents or inventors, or persons with exclusive rights to patents or inventions; in cases for which the technical problems and investments require the use of direct agreement, for products which must be bought at the place of production or at the stockpile, for work and services carried out at research centers in places of experimentation, etc.; whenever bidding by other methods has proved unacceptable to the contracting authority; for products and supplies as to which, on account of the shortage of material it is impossible to employ competitive bidding; when the enterprises and persons who were previously awarded contracts failed to carry them out and they are awarded to others at their risk and peril; in cases of shipping by public transportation services; and for all work, supplies and services which, due to urgency, are motivated by unforeseeable circumstances; for all those which, in the interest of the nation, must be kept secret or for any similar work, supply or service concerning national defense.

As the result of the broad interpretation given by the administrative authorities to the special cases permitting the use of the private contract method, which the code and previous statutory and other provisions on which it is based regard as the exceptional method, it is in fact the one most frequently used. According to the December 1964 issue of "Marchés Publics" [public contracts] published by the French Ministry of Finance and Economic Affairs, during the calendar year 1963 contracts concluded by open or restricted public tendering represented 1 percent., of the total value of all contracts, contracts concluded by open invitations for bids 6.4 percent., contracts concluded by restricted invitations for bids 33 percent. and private contracts 53.8 percent. During that year the military contracting authorities continued to use the private contract and restricted procedures in preference to open procedures much more frequently than the civilian contracting authorities.

In practice, therefore, there is ample opportunity for discrimination against foreign bidders.

Under the provisions of decree No. 60–724 of July 25, 1960 (Journal Officiel, July 27, 1960), contracts of the departments, communes, departmental and communal public establishments, urban districts and other local and municipal entities, including the City of Paris, are governed in general by the same rules as French government contracts. The 1960 Decree does not, however, suppress the supremacy of public tendering, as does the Public Contracts Code, and grants much less discretion to use the invitation for offers method and the private contract method.

The 1964 code is not applicable to nationalized industries or state monopolies or to corporations wholly or partly owned by the state. Their procurement practices are essentially the same as those of private enterprises, although the provisions of the Code naturally have considerable influence.

In many cases, government contracts may be reserved for French nationals by the terms of the request for tenders or the invitation for offers. That situation is expressly recognized in the "Guide de Fournisseur de L'État" (Guide for the State Contractor) published in 1964 by the Commission Centrale des Marchés (Central Contracts Commission). The Guide states (page 12) that foreign suppliers can submit bids subject to having satisfied, if necessary, the conditions prevailing for importations of goods, but that in certain cases the French citizenship of the contractors is required. The French Council of State has held, however, that the contracting authority does not have the power to reject a bidder by reason of his foreign nationality, if the exclusion of foreigners was not expressly provided for by a provision of the law or of the General Contract Specifications. An example of such a provision is Section 2 of Article 6 of the General Administrative Clauses applicable to contracts for current supplies (fournitures courantes) approved by Decree No. 62–1510 of December 14, 1962 (Journal Officiel, December 16, 1962), which provides that, subject to not contravening the stipulations of international agreements, the Minister can decide that the bidders must be of French nationality. The decision must be mentioned in the notice of public tendering or invitation for bids. The notice must also specify the nature of the documents to be furnished by way of proof of nationality. According to the treatise by Hainaut and Joliet cited infra (volume 1, section 104 bis), similar provisions are contained in the General Contract Specifications of the Ministry of War (article 11) and the Ministry of the Navy (article 2), the General Contract Specifications for Military Supplies (article 21), the General Contract Specifications for Public Works of the P.T.T. (Posts, Telegraph and Telephones Administration) (Article 2) and the General Contract Specifications for Public Works of the City of Paris (Article 2).

In the field of military procurement and works contracts, specific regulatory provisions have the effect of reserving orders (except on very rare occasions) to purely French companies. Section 2 of Article 30 of the Arrêté (Order) of the Minister of National Defense and Armed Forces of May 7, 1958 (Journal Officiel, May 29, 1958, p. 5111), approving the General Administrative Clauses applicable to industrial contract of the Departments of National Defense, provides as follows (unofficial translation from French):

"2. Unless authorized by the Minister [of National Defense] and subject to the supplemental provisions of Article 33 relating to war materiel, allocation of orders can only be obtained by:

"Physical persons who are nationals of the French Union;

"Corporate bodies which are not, in law or in fact, subject to foreign influences which the contracting authority would consider incompatible with the requirements of national defense."

The provisions of Article 33 of the same Ministerial Order relating to orders for "war materiel" imply that enterprises manufacturing such equipment must be French or at least must manufacture in France. The provisions of that Article are as follows (unofficial translation from French):

"1. In addition to the obligations provided for in Art. 30, every candidate for a 'war materiel' contract must fulfill the special legal and regulatory obligations concerning such materiel, and in particular:

"Special nationality requirements;

"Obtaining a manufacturing license or a sales authorization;

"Control of the management;

"Maintenance of net price accounting in compliance with the provisions of Article 34 below;

"These provisions apply to concession holders, to sub-contractors as well as to subsuppliers ["souscommandiers"] who are themselves manufacturing components classified as war materiel.

"2. If, in an exceptional case, the State should give formal notice of a war contract to an enterprise which does not hold a manufacturing license or sales authorization for the materiel concerned, such notice shall take the place, for such enterprise and for the materiel under consideration, of a manufacturing license or sales authorization.

"During the entire duration of the execution of the contract, the enterprise shall remain subject to all legally enacted regulations which apply to license holders.

"Not later than one month after the giving of formal notice of such contract, the enterprise must deposit with the competent authority a file containing the documents laid down for all requests for a manufacturing license or sales authorization for the materiel which forms the subject of the contract.

"In case of non-compliance with this time-limit, the holder is liable to fines which, in the absence of respective regulation in the contract, shall be computed at the rate of ½ per mil of the amount of the contract per day of delay."

Under the provisions of Article 1 of the Decree-Law of April 18, 1939 (Journal Officiel, June 13, 1939, p. 1589) the term "war materiel" is defined as firearms and ammunition conceived or intended for land, naval or aerial war and material intended to carry or employ such firearms in combat.

Article 2 of the same Decree-Law provides that enterprises manufacturing or engaging in the purchase and sale of "war materiel" cannot operate without the previous authorization of the State and under its control, pursuant to the conditions prescribed by decree. Article 5 of the Decree of August 14, 1939, for the implementation of such Article 2 and following Articles (Journal Officiel, August 19, 1939, p. 10438) provides that, in order to receive a manufacturing license, a corporation (société par actions) must be of French nationality, must be managed and directed by French citizens and the majority of its capital must be held by French citizens.

In the field of public works, article 21 of the General Administrative Clauses applicable to public works contracts entered into in the name of the State established by Decree No. 61-529 of May 8, 1961 (Journal Officiel, May 31, 1961, p. 4915), provides for preferences for materials, etc., of French origin in the following terms (unofficial translation from French):

"5. With the exception of provisions arising from international treaties or agreements, where applicable, all materials, materiel, machines, apparatus, tools and appliances used for the execution of the works must be of French origin.

"6. With the same exception, special deviations may be provided for in the special contract specifications or may be granted in the course of the contract by ministerial decision."

The reference to international treaties and agreements is obviously intended to take into account the provisions of the Treaty of Rome, particularly those relating to the right of establishment and the free provision of services.

Article 3 of the same decree requires the submission with bids of proof of the nationality of the bidder and its personnel as required by the tender notice or the invitation for offers, if the contract is entered into for defense requirements.

The opportunities for preference in favor of French contractors and French materials in practice and under the applicable regulatory provisions are described in the following statement contained (pages 8-9) in the letter dated December 10, 1963, from Maitre Jean L. Sarrut and Maitre Bernard Siegler, cited infra.

"(b) Our public authorities have various possibilities to put aside foreign suppliers:

In connection with national defense they may invoke the above referred regulations;

They may raise the import duties;

In connection with adjudications they may put aside the foreign tenderers, in the same manner as French tenderers who, in their opinion, do not fulfill the required conditions, without any recourse being possible;

In connection with the "appeals d'offres" and the "marchés de gré à gré" they may choose French suppliers without contacting foreign suppliers.

Another means may consist, in connection with contracts concerning equipment of material, for example, in requiring such characteristics concerning the material that only French equipment can comply with.

"(c) In fact, certain of these means are indisputably used in some cases in France. In connection with national defense, for example, it might happen that French suppliers be selected, although their prices are much higher than those of foreign suppliers.

"But according to the information that we have gathered, the preference in favor of French suppliers has certain limits:

"The preference for French suppliers will not play if French prices are fairly higher than foreign ones. If, for example, foreign equipment costs, say 10 percent less than French equipment, our public authorities will hesitate to order French equipment as such decision might be criticized by the public control accountants.

"Also there are cases when, by reason of economic policy, for example when the French prices are going up, our public authorities buy abroad deliberately.

"All this is not theoretical, and we know, for example that our public authorities in charge of the manufacturing of French coins made abroad substantial orders which might have been passed in France. Also certain employers' federations complain about the fact that our public authorities pass too often contracts abroad."

The situation in the field of civilian government procurement is succinctly and accurately summarized in a publication entitled "France's Fifth Republic and the Business World" published in 1963 by Business International S.A., as follows (at page 31):

"Foreign companies can sell to civilian state 'markets' whether they manufacture in France or import, provided they abide by import regulations. There is no equivalent of the 'Buy American Act' in France. But in the absence of written regulations and presuming equal prices and services, the 'love-rate' (cote d'amour) is applied in favor of national suppliers, a reaction that the Commission Centrale [des Marchés] calls 'visceral.'"

The situation in France was confirmed by a conversation which two members of the United States Embassy in Paris had in April 1960 with Mr. Paul Gros, then Chief Purchasing Officer of the French State Railways and at the same time President of the French Association of Purchasing Agents, and a Mr. Dumas, of the Government Procurement Committee. The conversation is reported in Foreign Service Despatch No. 1585 (unclassified) dated April 12, 1960, from the United States Embassy in Paris to the Department of State. Messrs. Gros and Dumas were reported as stating that, while there are no legislative or administrative regulations corresponding to the Federal Buy American Act in France, preference would generally be given to the French suppliers without any official requirement to do so. Mr. Gros is also reported as stating that for a non-French firm to be seriously considered as a potential supplier, its bid would have to be 20 percent to 30 percent below the lowest French bid.

PRINCIPAL SOURCES

(1) Letter dated December 10, 1963, from Maître Jean L. Sarrut and Maitre Bernard Siegler, Avocats à la Court d'Appel, Paris, letter dated May 28, 1964, from Maître Siegler and letter dated November 6, 1964, from Maître Sarrut, all to Cravath, Swaine & Moore, Paris.

(2) Foreign Service Despatch No. 1585 dated April 12, 1960, from the United States Embassy in Paris entitled "EXPORT: Public Procurement Methods in France".

(3) Business International, S.A., France's Fifth Republic and the Business World (Geneva, Switzerland, 1963).

(4) Commission Centrale des Marchés (France), Guide du Fournisseur de l'État [Guide for the State Contractor] (Paris, 1964).

(5) de Grand Ry, L'Harmonisation des Legislations au sein due Marché Commun en Matière de Marchés Publics [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue de Marché Commun (No. 37) pp. 247-251 (No. 38), pp. 282-292 (1961).

(6) Hainaut and Joliet, Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun [Public Works and Supply Contracts in the Common Market], vol. 1 (Brussels, 1962), vol. 2 (1963).

Posts—Telegraphs—Telephones

FORM OF GENERAL INFORMATION FOR SUPPLY CONTRACTS [FRANCE]

(Unofficial translation from French)

I. Administrative and Legal Information

A. to be furnished by all candidates:

Correct name of enterprise_____.
Address and telephone number:
(a) of business seat_____.
(b) of plants, workshops or storage places where the supplies will me manufactured or kept_____

Manner of working: working owner_____; lessee-manager (state since what date) [1] _____.

(B) to be furnished by companies only:

Juridicial form (example: stock company, limited liability company, partnership limited by shares)_____.
Business capital_____.
Date of information_____.
Persons authorized to bind the company in matters of contracts:
Name.
Office.
Nationality.
Authorizing documents.
(1) President-director general, manager, commercial director, etc.
(2) As applicable: by-laws, board of directors' resolutions dated_____, etc.

II. Technical Information

1. Activities of the enterprise:
(a) List current manufactures:_____.
(b) Do you wish to be consulted on all these manufactures or only on certain among them? (In that case, list them):_____.

2. Area of plants, workshops, or storage spaces indicated on page 1 under 1-A, section b:_____.

3. Personnel force used: Total number: _____ of which _____ laborers.

4. Energy used: Nature and power:_____.

5. Machines and installations comprising plant equipment (list with indication of power and maximum capacity of each):_____.

GERMAN FEDERAL REPUBLIC

(Member of EEC, GATT and OECD)

The only statutory provision relating to public procurement in the Federal Republic of Germany is the Reich Public Budget Regulation (Reichshaushaltsordnung) adopted December 31, 1922, and now in effect as last revised on April 30, 1938. Section 46 of the Regulation provides as follows (unofficial translation from German):

"(1) Contracts made for the account of the Reich must be preceded by public tender, unless the nature of the transaction or special circumstances justify a deviation.

"(2) The Government of the Reich shall establish uniform principles for the making of contracts."

The public budget laws of the Länder (States) contain similar provisions.

The basic provisions which are applied by public procurement authorities are:

(1) Regulations for the Placing of Public Orders—Except those in the Construction Industry (Verdingungsordnung für Leistungen—ausgenommen Bauleistungen) (VOL); and

(2) Regulations for the Placing of Construction Contracts (Verdingungsordung für Bauleistungen) (VOB).

The VOL and the VOB are not mandatory legal provisions but only general principles drafted by specialists and considered by them to constitute the best procedures. They have, however, been made binding on federal government departments and agencies and the

[1] Strike out one or the other, as applicable.

Länder by means of administrative circulars.[1] The VOL applies to most government departments, including the Ministry of Defense, the Ministry of Posts and Telecommunications (PTT), the State Railways, the Ministry of the Interior and the Ministry for Economic Property. The VOB is applicable to all public works financed by means of federal credits. All nine Länder have also adopted both the VOB and the VOL and they are also binding on the municipalities.

Section 3 of the VOL and Section 3 of the VOB prescribe the following methods for the letting of contracts:

(1) Public invitation for offers (öffentliche Ausschreibung)—invitations for offers are made to an unrestricted number of firms by publication in the Bundesausschreibungsblatt (Federal Bulletin for the Invitation of Offers) and in the Bundesanzeiger (Federal Bulletin) as well as in daily newspapers and trade journals.

(2) Restricted invitation for offers (beschränkte Ausschreibung)—limited invitation for offers addressed privately to selected firms.

(3) Direct procurement (freihändige Vergabe)—contracts are awarded without formal proceedings in the discretion of the contracting authorities, usually on the basis of informal offers by at least three firms.

The first method is the standard one, but is used principally for construction contracts and even then accounts for only about one-third of such contracts in value. The second method may be used, if the nature and extent of the order or work demands special reliability, capability, or competence. The third method may be used in the restricted cases specified in the VOL and the VOB. In practice, however, the applicable provisions of the VOL and VOB are liberally interpreted by the contracting authorities, with the result that the method to be used is largely in their complete discretion.

In any event, even in the case of a public invitation for offers, the contracting authority is under a duty to accept the offer which is the most economical (wirtschaftliche), taking into account all relevant factors; hence, there is no duty to accept the lowest offer pricewise. There is, accordingly, ample opportunity for discrimination in favor of domestic suppliers and contractors.

Both the VOB and the VOL regulate explicitly the utilization of products or materials of foreign origin but they do not contain any specific provision dealing with the treatment to be given to foreign bidders.

Section 10, No. 4, of the VOL contains the following discriminatory provision (unofficial translation from German):

"4. Specified places of origin or supply sources shall be prescribed only in a case where required because of important reasons. Foreign products may not be supplied if appropriate products are manufactured in the interior of the country at reasonable prices."

Section 9, No. 7, of the VOB provides that (unofficial translation from German):

"The use of materials or construction components of foreign origin must not be requested if appropriate national products exist on the same terms and conditions."

Section 8, No. 1, of the VOB provides that (unofficial translation from German):

"In case of public invitation for offers, the contract documents must be sent to all domestic applicants who undertake professionally to effect performance of the class for which tenders have been invited".

All the foregoing provisions are, however, temporarily suspended. On May 20, 1954, the Federal Finance Minister issued a Circular (Ministerialblatt das Bundesministers für Wirtschaft, No. 12, June 30, 1954) initially providing for their suspension in the following terms (unofficial translation from German):

"In trade exchanges with the country of origin, the principle of reciprocity must be granted in the case of public invitations for tenders, i.e., offers by foreign competitors and of foreign products will, in the evaluation of bids, be considered in application of the same handicaps which the country of origin concerned will apply to West German bidders."

Moreover, for contracts valued at more than DM50,000 ($12,500), which involved the designation of a foreigner as the contractor of the use of products of foreign origin, the authorization of the Federal Minister of Finance was required.

The 1954 Circular was superseded by a Circular of the Federal Minister for Economic Patrimony dated April 29, 1960, and still in effect, which, at least literally, placed foreign competitors and products on the same level with domestic competitors and products. An unofficial translation from German of the 1960 Circular is attached hereto. It should be noted that paragraph 3 of the Circular states that application of the principle of reciprocity will again be taken into consideration if difficulties should arise.

The 1960 Circular does not affect provisions for the award of contracts to the following previliged groups:

(a) Expelled people and refugees from the Soviet Zone of Germany, individuals and firms in areas classified as "distressed areas" (including West Berlin), evacuees and victims of National Socialist persecution.

(b) Suitably qualified German "medium-sized" firms (i.e., employing not more than 50 persons). The Ministry of Defense places a proportion of the total value of its contracts with such firms. The proportion varies according to the type of supplies required but in practice ranges between 30 and 40 percent.

In the case of the first mentioned group, the contract is to be placed with the privileged applicant provided he is otherwise qualified and his bid is as economical as (or even, subject to adequate budgetary funds being available, slightly above) the most economical bid submitted by a non-privileged applicant. The *Länder* and municipalities are required to apply the same preferences.

It will be noted that the provisions relating to privileged groups bear considerable resemblance to the provisions of Executive Order No. 10582 under the Federal Buy American Act relating to awards to small business concerns and to concerns located in economically distressed areas.

By virtue of agreements with the United States a great deal of German defense procurement is carried out in the United States, primarily to offset the cost of maintaining United States armed forces in the German Federal Republic.

PRINCIPAL SOURCES

(1) Airgram No. A–737 dated October 31, 1963, entitled "Orders Placed by the German Bundespost with 'Privileged Bidders'".

(2) Letters dated January 31, 1964, and October 15, 1964, from the United States Embassy in Bonn to Cravath, Swaine & Moore, Paris.

(3) de Grand Ry, L'Harmonisation des Legislations au sein du Marché Commun en Matière de Marchés Publics [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue du Marché Commun (No. 37) pp. 247–251, (No. 38) pp. 282–292 (1961).

(4) Hainaut and Joliet, Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun [Public Works and Supply Contracts in the Common Market], vol. 2 (Brussels, 1963).

(5) Marketing Conditions: Germany—III, Business International, February 5, 1965.

[1] The current (1960) edition of the VOL was confirmed in effect with amendments by a Circular dated May 11, 1960, of the Federal Ministers of Economic Property and Economy. The current (1952) edition of the VOB was promulgated by a Circular dated April 23, 1953, of the Federal Ministers of Finance, Trade and PTT.

GERMAN FEDERAL REPUBLIC

(Joint Ministerial Circular dated April 29, 1960 (Ministerialblatt of the Federal Minister for Economy, No. 11, 1960, page 269)

(Unofficial translation from German)

Bonn, April 29, 1960.

The Federal Minister for Economic Property of the Federation: Ref.: III gen.—0 6060—2/60.

The Federal Minister for Economy: Ref.: I B 9—4436/60.

Foreign Office: Ref.: 400—80.10 (21).

To:

(a) The Federal Minister.

(b) The Federal Minister for Atomic Energy and Water Administration.

(c) The Federal Minister of the Interior.

(d) The Federal Minister for Post and Telecommunications.

(e) The Federal Minister for Transportation—with a copy to the Central Administration of the German Federal Railroads.

(f) The Federal Minister for Defense.

For information to: (g) the Federal Minister for Housing Construction.

Subject: Procurement Matters: Consideration of Foreign Bidders and Foreign Products (VOL/A § 10, No. 4, second sentence; VOB/A § 8, No. 1, first sentence, § 9, No. 7).

Reference:—

Enclosures: One.

The rules provided for in the Regulations (VOL/A § 10, No. 4, second sentence; VOB/A § 8, No. 1, first sentence; § 9, No. 7), concerning:

(a) the consideration of foreign bidders, and

(b) the use of products of foreign origin (where domestic bidders perform services)

in the case of public orders must be applied in keeping with the general economic development and, in particular, the progressive integration within the framework of the European Economic Community (EEC); in agreement with the Federal Finance Minister, it is requested that the following principles be observed in connection with all procurements within the Federal territory:

1. In view of the increasing liberalization, especially of the European Market, the German economic situation makes the purchase of foreign products and the consideration of foreign bidders desirable from the viewpoint of commercial and economic policies.

2. The advantages and disadvantages for the domestic employment situation which arise from the use of foreign products or ordering from foreign bidders must not be judged from the viewpoint of the individual economic section directly concerned. In the case of individual sectors of the economy for which special circumstances exist (e.g., mining), a need for protection might be justified from the point of view of national economy; in cases of doubt, it is recommended that an inquiry be addressed to the Federal Minister for Economy (Department I B 9; telephone Bonn 3 01 61).

3. The principle of reciprocity in the case of granting state orders to foreign bidders, as it had been set forth in the circular by the Federal Finance Minister dated May 20, 1954 (II D–O–6060–25/54), shall for the time being not be applicable. If in the future, in certain cases, particular difficulties should arise, the problem of reciprocity will be examined again. The circular of the Federal Finance Minister dated May 20, 1954 (II D–O–6060–25/54) shall in this respect become invalid.

4. When considering offers by foreign bidders, attention is to be given first of all to the following:

(a) the principle for granting orders must be observed (VOL/A § 2, No. 1, VOB/A § 2), i.e., that the bidders are competent, efficient and reliable;

(b) considering all circumstances, the offer must be the most economical ["das wirtschaftlichste"] (VOL/A–§ 24, VOB/A–§ 25), in which connection, particularly in the case of foreign bidders and foreign products, the sufficient securing of warranty rights, supplies of replacement parts and, where applicable, servicing of delivered equipment must, among other things, be carefully weighed.

Since the Federal Republic will, for the time being, no longer apply the principle of reciprocity in the case of public orders (No. 3), offers by foreign bidders shall be evaluated the same as all other offers, although the guiding principles for preferred bidders shall be observed.

5. The principles set forth in Nos. 3 and 4 shall apply mutatis mutandis in cases where domestic bidders intend to use foreign products in the execution of the work.

6. The participation of foreign bidders in public bids is promoted by the distribution abroad of the Federal Gazette publishing invitations to bid which the Foreign Office has originated. In connection with the nomination of suitable foreign bidders for limited invitations for offers and direct orders, to which special attention should be paid, it is recommended that inquiries be addressed to the representatives of foreign industrial organizations in the Federal Republic of German (see enclosure) or to the Consular offices.

The Economic Ministers (Economic Senators) and Finance Ministers (Finance Senators) of the States ["Länder"] as well as the municipal central organizations have today been informed correspondingly.

The Federal Minister for Economic Property of the Federation:
By order:

ROSSIG.

The Federal Minister for Economy:
By order:

DR. LANGER.

Foreign Office:
By order:

DR. HARKORT.

Attested
[OFFICIAL SEAL]

HOWALD.
(Howald)

Enclosure: to the joint circular from the Federal Minister for Economic Property of the Federation, the Federal Minister for Economy and the Foreign Office dated April 29, 1960 concerning: Defense Matters: Consideration of Foreign Bidders and Foreign Products (VOL/A § 10 No. 4 second sentence; VOB/A § 8 No. 1 first sentence, § 9 No. 7)

German-Belgian-Luxembourg Chamber of Commerce: (22c) Köln Cäcilienstr. 46.

United States Chamber of Commerce (16) Frankfurt (M) Rossmarkt 12.

Italian Chamber of Commerce for Germany (16) Frankfurt (M) Feldbergstr. 24.

Netherlands Chamber of Commerce for Germany (16) Frankfurt (M) Forsthausstr. 111.

French Commercial Service in Germany (22 c) Bad Godesberg Kappellenstr. 1 a.

Federation of British Industries (22 c) Köln—Marienburg Goltsteinstr. 219.

The Austrian Commercial Delegate in the Federal Republic of Germany (16) Frankfurt (M) Friedensstr. 5.

ITALY

(Member of EEC, GATT, and OECD)

The public works and public supply contracts of the State are governed by the provisions of Royal Decree No. 2440 of November 18, 1923, making new provisions regarding the administration of Government funds and the general accounting for Government services, as implemented and regulated by Royal Decree No. 827 of May 23, 1924, approving the rules for administration of Government funds and the general accounting for Government services.

Articles 3, 4, and 6 of the 1923 decree provide for the following four methods for the letting of contracts:

(1) Public tender (asta pùbblica)—public invitations for tenders are issued to an unlimited number of bidders by notices in the press, and, in the case of larger contracts, in the Gazetta Ufficiale (Official Gazette) of the Republic.

(2) Selective tender (liticazione privata)—private invitations to tender are issued to a limited number of suppliers or contractors selected by the contracting authority.

(3) Competitive tender (appalto-concorso)—this method is essentially the same as selective tender but is used in special cases.

(4) Private contract (trattativa privata)—the contract is let after private negotiation with one or more selected suppliers or contractors.

The 1923 decree prescribes public tendering by means of advertising as the normal method. Under the provisions of the 1924 decree selective tendering may be adopted in specified cases, including cases of urgency. Competitive tendering is essentially the same, except that it is used only for special works or supplies requiring well established technical, artistic or scientific qualifications. Under the provisions of the 1924 decree the private contract method may be used in specified cases where special or exceptional circumstances prevail which do not conveniently permit the use of any of the other procedures.

Under the public tendering and selective tendering procedures, the contract is awarded to the bidder who offers the best terms (i.e., the lowest tender in price). The contracting authority does not have discretion to select the bid which appears to it to be the best or the most advantageous. Nevertheless, the contracting authority has the power to exclude any bidder, despite the regularity of the documents which he presents. The exclusion may not be appealed and no reason need be given therefor.

The bidding procedures described above are mandatory for the entire State administration, that is, not only for the Ministries and their subordinate departments, but also for the autonomous agencies and other governmental agencies. They are also mandatory on the local administration level but different rules obtain in the Regions. They are not, however, applicable to industrial enterprises owned by the State, which operate like private corporations.

The only express statutory provision discriminating in favor of Italian firms and Italian materials are contained in Law No. 429 of July 7, 1907, as amended, relating to the State Railways, Articles 33 and 34 of which provide as follows (unofficial translation from Italian):

"33. Supplies of fixed and moveable material and metal structures are, as a rule, contracted out to national industry, by the system of public bidding.

"The general management of the State Railways, upon appropriate resolution of the Board of Directors, may proceed by selective tendering or private contract, when the interest of the Administration so advises or for the purpose of assuring an equitable distribution of the equipment among similar establishments in the various parts of the Kingdom, the provisions of Art. 16 of the Law of July 8, 1904, No. 351, remaining in effect.

"If the result of the public bidding, selective tendering or private negotiations demonstrate that the conditions of national industry do not permit the obtaining of satisfactory prices, the general management of the State Railways, upon due deliberation of the Board of Directors, and following authorization of the Council of Ministers, may proceed with international tenders, to which national firms are also invited.

"The director general shall give a detailed accounting of the above-mentioned supplies in the annual report pursuant to Article 9.

"34. Under the same conditions, national industry must be preferred in international tenders.

"For supplying of materials pursuant to the preceding article, there will be granted by deliberation of the Board of Directors an adequate protection to national industry, which, however, may never exceed 5% of the offer of foreign industry, increased by the expenses of customs and transport to the place of delivery.

"By offer of foreign industry is meant the average of the lowest offers which represent one-half of the number of foreign offers deemed valid. If these are in odd numbers, one-half is arrived at by the number itself increased by one.

"If the foreign offer consists of only one, the determination of equality of conditions will be submitted to the judgment of the Board of Directors.

"Whenever it may be necessary to provide promptly for the normal supply of materials for the operation of the State Railways, there may be specially authorized, upon resolution of the Council of Ministers, selective tendering or private negotiations with foreign firms.

In the case of public works, bids by foreign firms are effectively precluded by the fact that all contractors perform works pertaining to the State or to public entities in general in an amount exceeding 10,000,000 lire (about $16,600) shall be registered in the national list of contractors established by Law No. 57 of February 10, 1962 (Gazzetta Ufficiale, March 2, 1962). Articles 13–15 of such Law, copies of an unofficial translation from Italian which are attached hereto, contain detailed prerequisites for inscription on the list. Most important, Article 13, read in conjunction with Article 15, requires, with respect to private firms, partnerships and corporations that the technical manager and all legally responsible directors be Italian nationals, or if they are foreigners, residents of Italy and nationals of countries which grant the same privilege to Italian citizens on a reciprocal basis. Exceptionally, Article 4 of 1962 Law provides that, when the works described required a very particular skill and no suitable contractor appears to exist among those registered on the list, the contract may be awarded to Italian contractors not registered on the List or even to foreign contractors, subject to prior notice setting forth the reasons therefor being given by the contracting authority to the Committee in charge of the List.

Nevertheless, the basic form of discrimination against foreign bidders is administrative in nature. Despite the fact that the basic laws and regulations prescribed public tendering as the standard and normal method of letting contracts, the contracting authorities have so interpreted the law and regulations as to relegate public tendering to second place in favor of selective tendering, with the result that that method is used in an estimated 70 to 80 percent of the cases.

In selective tendering the contracting authorities resort to companies included on lists of suppliers, the most important of which is that maintained by the Provveditorato Generale dello Stato (General State Purchasing Office).

In order to obtain registration on the List of that Office, an application must be submitted and the applicant's technical and commercial ability must be established.

Other lists of suppliers, more or less governed by the same practice, are maintained by various autonomous and state agencies and by the three branches of the Ministry of Defense (Army, Navy, and Air Force). Other ministries and government offices normally use the first mentioned list. It is extremely difficult, although not impossible, for a foreign company to obtain inclusion on any particular list, unless it operates in Italy through its own organization or a permanent representative. Each agency maintaining a list has full and complete discretion, moreover, as to whether it will or will not inscribe a company on the list, even if it complies with all the requirements prescribed. The same discretion exists in the case of removal from a list.

Furthermore, a number of important agencies are expressly authorized to let contracts by private negotiations. Article 1 of Royal Decree No. 540 of March 11, 1923, prescribes that method as the normal one for the General State Purchasing Office, which purchases certain supplies for all central and local administrations, except the State Railways. Under the provisions of Article 1 of Royal Decree-Law No. 1718 of September 30, 1929, the Ministry of Defense (Air Force) has complete discretion in most cases to use either the selective tendering or private contract methods. Also, Article 31 of Royal Decree No. 728 of June 28, 1912, grants the State Railways complete discretion to use the private contract method. Numerous other agencies have similar statutory dispensation.

PRINCIPAL SOURCES

(1) Letter and memorandum dated May 4, 1964, from Avv. Nicola Troilo of Studio dell'Avv. Ercole Graziadei, attorneys of Rome, Italy, to Cravath, Swaine & Moore, Paris.

(2) Foreign Service Despatch No. 922 dated March 25, 1960, from the United States Embassy in Rome, entitled "EXPORT—Italian Procurement Regulations and Practices as they affect American Bidders and Suppliers".

(3) Airgram No. A-1241 dated March 5, 1963, from the United States Embassy in Rome, entitled "Foreign Government Procurement Practices".

(4) Letter dated December 6, 1963, from the United States Embassy in Rome to Cravath, Swaine & Moore, Paris.

(5) de Grand Ry, L'Harmonisation des Legislation au sein du Marché Commun en Matière de Marchés Publics [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue du Marché Commun (No. 37) pp. 247–251, (No. 38) pp. 282–292 (1961).

(6) Hainaut and Joliet, Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun [Public Works and Supply Contracts in the Common Market], volume 1 (Brussels, 1962), volume 2 (1963).

ITALY

(Excerpts from law of February 10, 1962, concerning the institution of a national registry of contractors (Gazzetta Ufficiale, Mar. 2, 1962))

(Unofficial translation from Italian)

ARTICLE 13. GENERAL REQUIREMENTS FOR REGISTRATION

The general requirements and necessary certifications for registration in the Registry are:

(1) Italian citizenship, or residence in Italy with respect to foreigners, contractors or directors of legally constituted commercial companies, provided they belong to States which grant reciprocal treatment with respect to Italian citizens.

(2) absence of penal records or pending matters relating to crimes under No. 2 of article 21.

If the technical manager (direttore) of the undertaking is a different person from its owner, the requirements of Nos. 1 and 2 must apply to both;

(3) certificate of registration with the Chamber of Commerce, Industry and Agriculture with indication of the specific activity of the firm;

(4) certificate of direct taxes of the district office from which income under category B is realized, for which the applicant has been registered in the income tax rolls in the 3-year period preceding the registration application, with respect to the particular activity as a contractor developed by him. If the latter is not yet registered, he must produce an appropriate statement by such office;

(5) certificate (optional) of registration in a similar association.

ARTICLE 14. SPECIFIC REQUIREMENTS FOR REGISTRATION

(1) Technical qualification—Technical qualification is demonstrated by means of diplomas, certificates issued or confirmed by technical officials in service activities referring to work executed or directed by the applicant and by any other document.

The certificates under the preceding paragraph must specifically indicate the works executed or directed, their amount, the time and place of execution and state if they were carried out properly and successfully or whether there were disputes with the Administration by arbitration or judicially, with an indication of the results of the same.

If the works were executed on behalf of the State or public entities, the certificate is issued by an official in active service, with qualifications no less than those of the Chief Engineer of Civil Engineering or by an office director, under the immediate direction of whom or under the supervision of the office, of which the official himself is chief, the works were executed.

If the works were executed on behalf of private parties, the relative declaration to be issued by the contractor or, if there was one, by the director of the works, must be confirmed, subject to verification, by the Chief Engineer of Civil Engineering.

For works executed or directed abroad, there may be submitted certificates by the proper consul, which contain all data required above, with the explicit declaration that, before issuing them, the official by whom the documents are signed carried out accurate investigations and obtained information from the technical authorities of the location.

(2) Financial capacity—This is demonstrated by proper bank references or by documents which validly prove the economic and financial potential of the interested party.

Bank references are requested directly and reservedly by the competent Committee of the institutions indicated by the applicant in the registration of the request in question. The other documents must be of a date not earlier than one month from the date of the application for registration and, if of an earlier date, must be expressly confirmed under date no earlier than 1 month from that of the application.

(3) Technical equipment—The possession of technical equipment must appear in the declaration of the applicant, in which there must be listed and described means of operation, equipment, and materials in general at its disposal, reserving to the Administration facilities to execute controls and to provide for legal redress in case of false or inaccurate statements.

Whenever the owner of the undertaking is someone other than the technical manager, the documents under No. 1 must refer to the manager, those under Nos. 2 and 3 must refer to the owner.

ARTICLE 15. REQUIREMENTS FOR COMMERCIAL COMPANIES AND COOPERATIVES

For the registration of commercial companies, cooperatives and their branches:

(a) The requirements under Nos. 1 and 2 of article 13 are applicable: to the technical manager and all "components" if it is an unlimited partnership; to the technical manager and all partners, if it is a limited partnership; to the technical manager and the directors (amministratori) furnished with powers of representation, for every other type of company.

(b) The documents under No. 1 of article 14 are applicable to the technical manager.

The companies must also exhibit an authentic copy of their certificate of incorporation and a certificate of the court issued not more than two months prior to the application for registration, from which it may be ascertained that the company is not in a state of liquidation or bankruptcy and has not submitted an application for bankruptcy. It must also be ascertainable from the certificate whether bankruptcy proceedings or an application for bankruptcy have occurred within the 5-year period prior to the above date.

GREECE

(Associate member of EEC; member of GATT and OECD)

Under the provisions of Law No. 3215 of April 26, 1955, Greek industrial products are accorded preference in purchases (through public bidding or otherwise) by State or quasi-governmental agencies, municipalities and communities as well as private business organizations enjoying partial or total duty-free import privileges. An unofficial translation from Greek prepared by the U.S. Embassy in Athens is attached hereto as schedule A.

The preferences are applied as follows:

(a) The margin of preference for Greek products is 8 per cent of the landed cost of foreign products (i.e., c.i.f. invoice price plus all duties and taxes, other than turnover tax, payable upon importation). The maximum allowable margin of preference, calculated on the c.i.f. price of a similar foreign product, is 30 percent for domestic products in general and 35 percent for the products of the domestic iron and steel and metalworking industries. In determining the landed cost of imported products, the amount of import duty and taxes added as above to the c.i.f. invoice value may not be higher than 30 percent ad valorem generally and 35 percent ad valorem for metal products, exemption being granted for any duties and taxes in excess of those percentages.

(b) In lieu of the foregoing preferential treatment, Greek enterprises may apply for the duty and tax-free importation of the raw and auxiliary materials required for the production of the goods being procured, in which case the margin of preference accorded the domestic industry is 10 perecnt (instead of 30 percent or 35 percent) of the c.i.f. price of the foreign product.

(c) In comparing the prices of Greek provincial industrial and handicraft products with those of imported products, the price differentials in favor of Greek products indicated in paragraphs (a) and (b) above, are further increased by the margins of preference accorded provincial products in relation to porducts manufactured in the capital area, under the provision of Decree Law 2176 of 1952. The margin of preference accorded provincial products over those of the Athens area varies, according to the type of product involved from 2 percent to 5 percent and may in no case exceed 8 percent. By virtue of Law No. 3213 of 1955 those percentages are further increased by 50 percent for industrial enterprises operating on Greek islands (except the island of Euboea). Ac-

cordingly, provincial industrial and handicraft enterprises may be given a price preference of 11 percent to 20 percent of the landed cost of foreign products, depending on the location of the producing plant and the type of product involved.

The provisions of Law No. 3215 are not applicable to procurement contracts pertaining to industrial projects authorized under Greece's basic foreign investment law (Law No. 2687 of 1953) and under Law No. 4171 of 1961. For such projects, equipment and supplies may be purchased freely from any source at the discretion of the investor.

THE AGREEMENT OF ASSOCIATION WITH THE EUROPEAN ECONOMIC COMMUNITY

The Agreement was signed on July 9, 1961, and took effect on November 1, 1962 (Journal Officiel of the European Communities, February 18, 1963). It provides for the association of Greece with the Community under the provisions of Article 238 of the Treaty of Rome on the basis of a customs union, with the prospect of full membership when the progress of the Greek economy allows Greece to assume fully the obligations imposed by the Treaty. The customs union is to become fully effective on November 1, 1974, except in the case of specified manufactured goods produced in Greece as to which the effective date will be November 1, 1984.

Article 3 of the Agreement provides for an institutional structure for its implementation. The Association Council, which is composed of representatives of Greece on the one hand and of the Member States and of the Community on the other hand, has the general function of taking all measures necessary to assure the realization of the aims of the Agreement and to conduct all examinations into the development of the cooperation between the Contracting Parties. All decisions adopted by the Council must be unanimous.

The Agreement in general follows the outline of the Treaty of Rome. In the field of public contracts the most important provisions are Article 5 relating to the elimination of discrimination on the basis of nationality, Articles 47 and 48 relating to establishment, Article 49 relating to services, Article 57 dealing vaguely with the approximation of laws and Protocols 1 and 9 limiting the application of the Agreement in the field of public contracts. A copy of an unofficial translation from French of those Articles and Protocols is attached hereto as Schedule B.

It seems obvious that the application of the provisions of the Agreement, as limited by the Protocols, is not likely to have much effect in the foreseeable future in the field of public contracts. Protocol 1 contains express limitations on the application of Article 5 of the Agreement in so far as public contracts are concerned; Protocol 9 contains an exception with regard to agreements for financial aid between the United States and Greece and exempts them, at least until the end of the first transitional period ending in 1974, from the application of the provisions of Article 5. Moreover, Articles 47 and 48 contain only vague provisions with regard to the right of establishment and leave the ultimate decisions in this field to be worked out by the Association Council. Also, under Article 49 the authority to regulate the furnishing of services between the Community and Greece is reserved to the Association Council.

PRINCIPAL SOURCES

(1) Industrial Development Corporation S.A. (Athens), Greece: Basic Incentives to Industrial Development and Foreign Investment (July 1963).

(2) United States Department of Commerce, Basic Data on the Economy of Greece, Overseas Business Reports, No. OBR 64-20 (February 1964).

(3) United States Department of Commerce, Establishing a Business in Greece, Overseas Business Reports, OBR No. 62-10 (November 1962).

SCHEDULE A. GREECE

(Law No. 3215 of 1955 providing preference for domestic industrial and handicraft products (Official Gazette, Apr. 30, 1955))

(Unofficial translation from Greek by U.S. Embassy in Athens)

PAUL, KING OF THE HELLENES

Having unanimously voted with Parliament, we decide and ordain:

Article 1

1. In connection with procurements effected by the State, or by Municipalities, or Communities, or any other legal entity of public or private law enjoying total or partial exemption from import duties, either through competitive tender or otherwise, directly or through the State Procurement Service or any Committee, the products of domestic industry and handicraft are given preference as against the products of foreign origin even if the cost of the domestic products in question is higher up to 8 percent than that of the respective foreign products.

2. Procurements of domestic fertilizers are excepted, as coming under the application of law 760 of 1948 "re marketing of fertilizers" and as long as the law in question is valid.

3. Power production enterprises operating by virtue of contract privileges ratified by specific law, are excepted as well.

Article 2

To determine the comparative cost of a foreign product, we add to the offered CIF price the corresponding import duty—basic and additional—which is provided for each time by the duty tariff, as well as any other tax or due levied on importation, excepting the business turnover tax, which is not reckoned on the cost of the respective home product, and then we add the 8 percent rate provided for in the previous article to the price resulting in this way.

Article 3

1. A 30-percent rate on the respective CIF price of the foreign product is fixed as a maximum of the preference provided for in article 1 hereof in respect of home industry and handicraft products.

2. The maximum rate provided for in the previous paragraph is increased to 35 percent in respect of home metal industry products.

3. As places of delivery for such comparison of prices, according to the above, are determined: (a) the Customs House for the imported foreign products, and (b) the supplier's factory warehouse for the local products.

Article 4

1. At the request of a local industry or handicraft, in lieu of the protection provided for in articles 2 and 3 hereof, exemption from import duty is granted by joint decision of the Ministers of Finance and Industry in respect of the raw and auxiliary material required for the manufacturing of the products offered, in which instance the home product preference rate is fixed at 10 percent on the CIF price of the respective foreign items.

2. The terms and formalities for duty free importation of the raw and auxiliary material dealt with in the previous paragraph, as well as for control over the disposal of these for whatever purpose they have been imported, will be determined by joint decisions of the Ministers of Finance and Industry to be promulgated in the Government Gazette.

Article 5

In respect of monopoly items, as well as of industrial products, on which no direct or indirect duty is levied according to the duty tariff operating each time, the preference rate for the respective home industry and handicraft products is fixed either at 10 percent on the CIF cost of the foreign product, with duty free importation of the raw and auxiliary material required for the manufacturing of such home products, or up to 30 percent without duty free importation of the material in question. The above 10 percent preference rate can fluctuate between 10 and 20 percent in respect of certain monopoly items, following decision of the Ministerial Council.

Article 6

1. The terms of the procurements provided for in article 1 hereof are compulsorily formulated in such a way as to correspond to the possibilities of the local industrial or handicraft production under the prerequisite that the relative products can meet the requirements for which they are intended.

2. The method of application in general of te previous paragraph will be specified each time by joint decisions of the Ministers of Finance and Industry to be promulgated in the Official Gazette.

3. After 3 months from effect hereof, the procurements provided for in article 1 of the present law shall be effected in accordance with the decisions provided for in the previous paragraph.

Article 7

1. In connection with procurements effected according to the provisions hereof, eventual preference for items of foreign origin as against the respective local ones, entails an obligation for payment of the relevant duties and other taxes whose total cannot, however, exceed 30 percent on the CIF cost of these, or 35 percent as regards iron or metal industry products. In respect of duties and taxes over this percentage, exemption is granted in accordance with the relevant provisions, paragraph 3 of article 2 of E.L. 896/37 having no effect in this connection.

2. Particularly as regards Municipalities and Communities, full exemption from duties and taxes can be granted—following decision of the Ministerial Council issued upon proposal of the Ministers of Finance and Industry—in respect of water pipes imported from abroad, as long as the price of those offered by the local industry exceeds the preference rate of the CIF cost of the former.

3. The previous paragraphs are applicable on procurements of State items as well.

Article 8

The preference rates in favor of local industry products which were determined by virtue of the relative R.D. of the 2nd September 1952 in application of the provisions of article 3 of L.D. 2176/52 re protective measures for provinical industry, as well as by virtue of para. 1 of article 2 of the Law "re amendment and supplementation of the provisions concerning protective measures for provincial industry", are valid collectively in every instance of application of the provisions of the present Law.

Article 9

The contribution on every kind of wax materials, either foreign or local, which is levied in favor of T.A.K.E. (Greek Clergy Insurance Fund) by virtue of E.L. 816/1937, as subsequently amended and supplemented by E.L. 2293/1940, Law 1017/1949 and E.L. 3092/1954, is hereby abolished, as long as the materials in question are utilized—in the opinion of a Committee to be set up by joint decision of the Ministers of Industry and Education—

for industrial or handicraft purposes, except for the manufacturing of candles or tapers.

Article 10

Transgression of the provisions hereof constitutes a disciplinary offense, while any civil, municipal or communal servants, or any municipal or communal authorities, or any of the administrative councils or the competent officials of the other entities provided for in article 1, who would eventually approve, or suggest for approval, the minutes of an adjudicated competition, or otherwise carry out a procurement in transgression of the above provisions, shall receive a disciplinary punishment by the competent agents, irrespective of any other legal consequency of such transgression.

Article 11

The following provisions are abolished: (a) article 6 of Law 2948/1922 re promoting industry and handicraft, (b) article 2 of Law 4536/1930 re amendment and supplementation of Law 2948/22, the Decrees issued in application of this article (1) of 14–5–31 re extending the preference limit for all kinds of stamps, (2) of 23–3–32 re extending the preference limit for military cartridges and ammunition from 20 to 30 percent, (3) of 25–10–35 re extending the preference limit up to 27 percent in respect of machinery and iron construction in general made by the Greek industry, (c) of article 8 para. 4 of E.L. 254/36 re amendment of the emergency laws of 19–10–35 and 28–12–35 re organization of a cotton institute, (d) of joint decision No. 6825/1263/22–1–37 of the Ministers of Finance and National Economy re fixing the preference limit for local cotton industry products at 35 percent, issued in application of para. 4 of article 8 of E.L. 254/36, and (e) of E.L. 477/37 re supplementation of article 16 of Law 2948/22 re promoting industry and handicraft, as amended by article 2 of Law 4536/30.

Article 12

Acts Nos. 261/3–3–1951 and 628/21–5–51 of the Ministerial Council are hereby ratified for the period they have operated, and are abolished by the present. Act No. 602/7–6/52 of the Ministerial Council is likewise abolished.

The acts in question read as follows:

[Note: Translation of Acts No. 261 and 628 of 1951 and Act No. 602 of 1952 omitted]

The present Law, having been passed by Parliament and ratified by Us today, shall be promulgated in the Official Gazette, and enforced as a Law of the State.

ATHENS, *April 26, 1955.*

PAUL R.

The Ministers of Industry:

A. PROTOPAPADAKIS.

Finance:

L. EFTAXIAS.

Ratified and sealed Athens, April 29, 1955.

The Minister of Justice:

CL. THEOPHANOPOULOS.

SCHEDULE B. GREECE

(Excerpts from agreement establishing an association between the European Economic Community and Greece and attached documents[1])

Article 5

1. In the area of implementation of the Agreement, and without prejudice of any special provisions which it contains, none of the Contracting Parties shall exercise or tolerate discriminations by reason of nationality or against physical persons who are nationals of another Contracting Party established in the territory of one of them.

2. For the implementation of the preceding paragraph, companies constituted pursuant to legislation of a Member State of the Community or of Greece which have their corporate business seat, their central administration or their principal establishment in the territory of one of the Contracting Parties shall be given equal standing with physical persons.

By companies, companies of the civil or commercial law shall be understood, including cooperatives, and other juridical persons under public or private law, with the exception of non-profit companies.

3. The Association Council shall, in so far as necessary, make the appropriate decisions for putting an end to the discriminations referred to in this article.

TITLE III. CIRCULATION OF PERSONS AND SERVICES

Article 47

The Contracting Parties shall facilitate, in a progressive and balanced manner, the establishment of nationals of the Member States in the territory of Greece and of nationals of Greece within the Community, in accordance with the principles of articles 52 to 56, inclusive, and 58 of the Treaty establishing the Community, with the exception of the provisions and articles relating to time-limits and to the procedure for the realization of a liberalization of establishment.

Article 48

The Association Council shall by decree set the tempo for this realization and establish the terms of implementation concerning the provisions of the preceding article for the different categories of activities; progressive implementation shall take place after the corresponding directives provided for in articles 52 to 56, inclusive, of the Treaty establishing the Community have become effective and in consideration of the special economic and social situation of Greece.

Article 49

The Association Council shall decide, during the transition period provided for in article 8 of the Agreement [1962–1974], on appropriate provisions to be taken in order to facilitate the rendering of services between the Community and Greece.

TITLE IV. PROVISIONS RELATING TO COMPETITION, TAXATION AND GRADUAL ELIMINATION OF DIFFERENCES BETWEEN LEGISLATION

Article 57

In the areas not covered by the provisions of this Agreement which have a direct influence on the functioning of the Association or in the areas covered by these provisions where they do not contain any specified procedure, the Association Council may make recommendations to the Contracting Parties inviting the latter to take measures which will serve to harmonize legislative, regulatory or administrative provisions.

PROTOCOL NO. 1—CONCERNING PUBLIC CONTRACTS

The contracting parties have agreed on the following provisions:

In deviation from the provisions of the Association Agreement, and in particular article 5, the Contracting Parties shall progressively adjust the terms and conditions for participation in contracts awarded by the administrations or public enterprises as well as private enterprises to which special or exclusive rights have been granted, in such a manner that, by the end of the transition period provided for in article 15 of the Agreement [1984], all discrimination between nationals of the Member States of the Community and those of Greece established within the territory of the Contracting Parties will be eliminated.

The terms and tempo under which the adaptation provided for in this Protocol must be realized shall be fixed by the Association Council taking its inspiration from the solutions which may be adopted in this field by the Member States of the Community.

This Protocol shall be attached to the Association Agreement.

PROTOCOL NO. 2—CONCERNING UTILIZATION OF AMERICAN AID BY GREECE

The contracting parties, in an endeavor not to interfere with the utilization of American aid by Greece, have agreed on the following provisions:

1. If the provisions of the Association Agreement form an obstacle to utilization by Greece of special assistance funds placed at the disposal of the Greek economy, either directly by the Government of the United States of America, or by intermediary of an organization designated by it, Greece shall have the power, after notification to the Association Council:

(a) To establish tariff quotas in observation of article 21, paragraph 2, of the Agreement for the importation of merchandise originating in the United States the purchase of which is financed with the funds in question;

(b) To import duty-free merchandise which forms the substance of the gifts provided for by Title III of "Public Law 480";

(c) To restrict awards of contracts to suppliers of products originating in the United States only where the utilization of the funds in question involves the importation of merchandise originating in the United States and where a competitive bidding procedure is required under legislative provisions either of Greece or the United States.

2. At the end of the transition period provided for in article 6 of the Agreement [1974], the Association Council may decide whether the provisions of this Protocol should be abolished or amended.

In the meantime, if changes occur in the nature of the funds referred to in paragraph 1 of this Protocol or in the procedures for utilization, or if difficulties arise with respect to such utilization, the Association Council shall re-examine the situation with a view to taking appropriate measures.

This Protocol shall be annexed to the Association Agreement.

TURKEY

(Associate member of EEC; member of GATT and OECD)

The basic law concerning public procurement is Law No. 2490 of June 2, 1934 (Official Gazette, June 10, 1934), as subsequently amended. Under the provisions of that Law, sealed public tenders are the standard and, in practice, the usual procedure. Procurement authorities may resort to open public tenders or to direct negotiation only when an invitation for sealed public tenders has met with no response, the volume of the goods and services is small or the articles in question are available only from a single source.

The objective of the sealed-envelope bidding system was to eliminate bargaining and price cutting by requiring every bidder to state his lowest price at the outset of the adjudication. In practice, however, there is much bargaining after the bids are opened, since all of them must then be reviewed privately by the Adjudication Commission, which subsequently invites each bidder separately to explain or amplify his offer.

Foreign firms or individuals may tender in the same way as Turkish nationals, unless the contract is for less than LT15,000 (about $1,667). In that event foreign nationals may not tender unless they are registered with the Turkish Commercial Registry Office

[1] Unofficial translation from French. The Agreement was executed in Dutch, French, German, Greek and Italian, each of which is equally authentic (Article 77). There is no official English translation.

and have been established in Turkey for at least 10 years.

In principal no preferential treatment is given to tender from any one foreign country as compared to any other country, except in the case of "tied" external financing arrangements. Under the provisions of Decree No. 6/3083 dated June 1, 1964, however, the Ministry of Finance is authorized to designate the country from which imports of capital goods exceeding $50,000 are to be made by departments, organizations and establishments in the State sector. The procurement authorities concerned are required to obtain information concerning foreign financing possibilities from the Ministry of Finance prior to their decision to purchase, or award of contracts for, imports exceeding $50,000. The Ministry may require that the terms and conditions of available credits be taken into consideration by the procurement authority concerned before a contract award is made.

Preference for Turkish products is provided by the requirement that, if the Ministry of Industry determines that a product is manufactured in Turkey in sufficient amounts to meet local demands, no similar product can be imported. On July 28, 1964, the Minister of Industry announced that a new list of products manufactured in Turkey was being compiled with a view to issuing new regulations precluding the importation of all such products.

AGREEMENT OF ASSOCIATION WITH THE EUROPEAN ECONOMIC COMMUNITY

The Agreement between Turkey and the European Economic Community was signed in Ankara on September 12, 1963, and entered into force on December 1, 1964 (Journal Officiel of the European Communities, December 29, 1964).

The Agreement provides for the association of Turkey with the Community under the provisions of Article 238 of the Treaty of Rome on the basis of a customs union, with the long-term possibility of full membership of Turkey in the Community.

The Agreement provides for a preparatory, a transitional and a final stage in the association. During the preparatory period of 5 years, possibly extended to 9 years, from the effective date, Turkey will continue its efforts to reorganize its economy and for that purpose the Community granted certain concessions in the form of tariff quotas for imports of particular importance to the Turkish economy as well as the granting through the European Investment Bank of financial assistance.

The Agreement provides only a general outline of the arrangements for the transitional stage, the details of which will be settled only towards the end of the preparatory stage. During the transitional stage, which may not exceed 12 years from the effective date, the Contracting Parties will gradually institute a customs union and bring into alignment the economic policies of Turkey and the Community.

The final stage is based on the customs union, which will cover all commodity trade except products of the European Coal and Steel Community.

Article 23 of the Agreement provides for an institutional structure for its implementation similar to that provided by the Agreement of Association with Greece. The Association Council, which is composed of representatives of Turkey on the one hand and of the Member States and of the Community on the other hand, has the general function of taking all measures necessary to assure the realization of the aims of the Agreement and to conduct all examinations into the development of the cooperation between the Contracting Parties. All decisions adopted by the Council must be unanimous.

The Agreement in general follows the outline of the Treaty of Rome. Unlike the Agreement of Association with Greece, there is no specific provision with regard to the elimination of discrimination on the basis of nationality in the field of public contracts. Articles 8 and 9, however, contain the following general provisions with regard to the elimination of discrimination on the basis of nationality during the transitional stage (unofficial translation from French by the American Society of International law, 3 International Legal Materials 65 (1964)):

"Article 8

"In order to realize the objectives set forth in Article 4, the Association Council shall establish, prior to the start of the transitional phase, and in accordance with the procedure provided in Article 1 of the Provisional Protocol, the conditions, terms and rate of application of the provisions pertaining to the fields covered by the Treaty establishing the Community which will have to be considered, specifically those covered by the present Title, as well as any safeguard clause which might be considered useful.

"Article 9

"The Contracting Parties acknowledge that within the field of application of the Convention, and without prejudice to the specific provisions which might be established by virtue of Article 8, any discrimination on account of nationality is prohibited in accordance with the principle set forth in Article 7 of the Treaty establishing the Community."

Vague provisions relating to the right of establishment and the free rendering of services are contained in Articles 13 and 14, which provide as follows:

"Article 13

"The Contracting Parties agree to take inspiration from Articles 52 through 56 and 58 of the Treaty establishing the Community in order to eliminate the restrictions on the freedom of establishment among them.

"Article 14

"The Contracting Parties agree to take inspiration from Articles 55, 56, and 58 through 65 of the Treaty establishing the Community in order to abolish the restrictions on the free performance of services among them."

Similarly, vague provisions relating to the approximation of legislation are contained in Article 16, which provides as follows:

"Article 16

"The Contracting Parties recognize that the principles set forth in the provisions relating to competition, fiscality, and the approximation of legislation, contained in title I of the third part of the Treaty establishing the the [sic] Community, must be made applicable in their Association relations."

It seems obvious that the application of the provisions of the Agreement is not likely to have much effect in the foreseeable future in the field of public contracts.

PRINCIPAL SOURCES

(1) Union of Chambers of Commerce, Industry and Commodity Exchanges of Turkey, Investment Guide to Turkey (Ankara, 1964).

(2) United States Department of Commerce, Investment in Turkey: Basic Information for United States Businessmen (1956).

(3) United States Department of Commerce, Selling in Turkey, Overseas Business Reports, OBR No. 64-97 (September 1964).

EXCISE TAX ON TELEPHONE SERVICE

(Mr. VIVIAN (at the request of Mr. KREBS) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VIVIAN. Mr. Speaker, I am pleased to bring to the attention of the Members of the House of Representatives a petition I recently received from some 400 good citizens of the Lambertville, Ottawa Lake, and Temperance areas in the Second Congressional District of Michigan. The petition urges Congress to remove the Federal excise tax on telephone service.

This is an outstanding example of citizens being personally and individually interested in national legislation, and wisely acting to inform their representatives in Washington of their opinions. The merits of the reduction or abolition of the excise tax on telephone service deserves careful attention.

Few would argue today that telephone service is a luxury; certainly the productivity of my own office would be considerably diminished without our telephones. I have received a number of letters from elderly people in Lambertville and Temperance reminding me that they live alone and must maintain their telephone service, but that the tax on this service is a heavy load on their severely limited incomes. Most of us will agree that the telephone is no luxury for these people. Is it, in fact, a luxury for any of us?

Is the telephone a luxury for the businessman who orders, sells, and generally conducts a great deal of his business on the phone? Is it a luxury for the professional man; the housewife; the public administrator?

Of course, Mr. Speaker, the answer to these questions is: No. The telephone is a necessity in 20th century America, and everyone in this body knows it. My petition has come from citizens of the Second District of Michigan, but I believe they speak for millions of American telephone users.

As we all know, most excise taxes now in force were enacted in order to discourage "consumer" spending at a time when national resources and production were needed for a war effort. Today, we promote consumer spending in an effort to maintain our booming peacetime economy. Is it wise to maintain a tax which operates in opposition to national economic policy? I think not.

And, I would add, it is particularly inappropriate to continue a tax, falling on an essential service, which taxes without regard to a family's ability to pay. In this country, we have established the graduated income tax as that tax most likely to fall upon the citizen with some relation to his ability, as judged by his income, to pay. We have tried to reserve excise taxes largely to the function of "user taxes." This is how we justify, for example, gasoline taxes: they force the user of motor vehicle fuel to pay his share of the cost of constructing and maintaining highways.

But surely there is no cost to the Federal Government in the private use of telephone service. And the impact, for the average family in any given tax bracket, falls most heavily, as a percentage of income, on those low-income families least able to pay.

For these reasons, Mr. Speaker, I am happy to submit the petition from the citizens of the Second Congressional District of Michigan, and to endorse that petition.

When legislation to adjust the Federal excise tax reaches this floor for a vote during this session of Congress, I hope we will abolish the fiction of the "luxury" telephone and remove this tax from the statute books.

[The matter referred to will appear hereafter in the Appendix.]

NEW YORK CITY IN CRISIS—PART LIV

(Mr. MULTER (at the request of Mr. KREBS) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following articles from the March 11, 1965, edition of the New York Herald Tribune.

These articles concern New York City's participation in the poverty program and is part of the series on "New York City in Crisis."

The articles follow:

NEW YORK CITY IN CRISIS—CITY POVERTY PLEA TODAY: $11 MILLION

(By Barry Gottehrer)

An anticipated request by Mayor Wagner for more than $11 million in additional antipoverty funds from the Federal Government is expected to trigger at least two moves to audit the books of and investigate Haryou-Act, the controversial Harlem community-action program. Haryou-Act, which has been beset by internal conflict and external criticism since its formation last June, has been the target of increasing attacks and rumors during the last 2 months.

The audit reportedly would come from Sargent Shriver's Office of Economic Opportunity, which Mayor Wagner will ask today to give $1.5 million of the requested $11 million to Haryou-Act.

Though the audit is expected to be described as "customary procedure" when it takes place in the next 10 days, it is understood that the Federal agency has been waiting for its first opportunity to see exactly what has been taking place behind the doors of the Harlem organization, which now occupies two floors of the Hotel Theresa at 125th Street and 7th Avenue.

Though more than $5 million in city and Federal funds have already been appropriated for Haryou-Act, today's request represents the first time any funds have been requested directly from Sargent Shriver's office.

The second investigation will be called for by Representative ADAM CLAYTON POWELL, whose 18th Congressional District includes Haryou-Act's headquarters and whose reported influence and control of the program has been the chief source of much of the organization's continuing difficulties.

It was also learned last night that the city's antipoverty operations board, which has had only praise for the program publicly, has been privately conducting its own intensive audit of Haryou-Act's books for nearly a month.

Though Anne Roberts, the $22,500-a-year staff director of the city board, maintained last night that the city audit was "standard practice whenever city funds are used," Livingston Wingate, executive director of Haryou-Act, said that the audit has been brought about by "outside criticism" and "all those rumors."

Mr. Wingate, a onetime assistant to Representative POWELL, said he was referring to rumors centering around Haryou's decision to rent new quarters in the Theresa Hotel early this year.

Haryou-Act, which has been negotiating a lease with the owner of the Posner Building on 128th Street and still hopes to move there, had moved into the Theresa in early February to accommodate its expanding program and staff of 150.

Rumors of an inflated rental and a possible real estate coup, according to Mr. Wingate, reached city hall and precipitated the audit.

"Screvane (city council president and antipoverty board head) called us down and has been having his auditor go over our books for nearly a month," Mr. Wingate said yesterday.

Though he says the audit is still going on, Mr. Wingate says the city now agrees that Haryou-Act got "quite a deal" in renting the space at the hotel.

Under the contract rental according to Mr. Wingate, Haryou-Act is paying less than $14,000 in rent for 6 months and has induced Owner Philip Edwards to pay $10,000 to repair and renovate the two floors, a section of the lobby, and a private elevator.

According to a contract signed and dated February 16, however, Haryou-Act agreed to pay the landlord $3,312.50 a month—a total of $19,875 for the 6 months.

Reached at his downtown office last week, Mr. Edwards said he was "gambling"—that he was hoping that Haryou-Act would stay longer than the 6 months.

Mr. Wingate said yesterday, however, that Haryou-Act had already made it clear to Mr. Edwards that it could not possibly extend its contract.

Mr. Wingate, 49, who earns $25,000 a year as director of the Nation's largest and most controversial antipoverty project, says he is also aware of the other possible investigations of the program.

"I have been hearing about plans to audit our books and investigate Haryou-Act for weeks," he said yesterday. "I welcome the investigation. If there is anything wrong here, I'd like to know about it. No project in the Nation has done as much as we have in so short a time. Any investigation that will give us a fair and honest appraisal will be most welcome."

Mr. Wingate heartily disagreed with the criticism that he had packed Haryou-Act with friends and associates of Representative POWELL.

This criticism has existed since early last year, when Dr. Kenneth Clark, acting chairman of Haryou whose perceptive study, "Youth in the Ghetto," helped to launch the Harlem program, resigned from the group, which was to be merged with Act.

His charge: Representative POWELL was trying to control the entire program.

These charges flared anew last month when Kenneth Marshall, Haryou-Act's program director, was ousted.

Mr. Marshall and his attorney, Paul Zuber, charged that the entire organization had become Representative POWELL's private project and brought their charges to the attention of at least one New York Representative and a Middle Atlantic Senator.

"A congressional investigation is completely warranted," said Mr. Zuber last night. "This becomes mandatory when it is considered that the area served by Haryou-Act is a high-tension area and a potential danger area during the summer if there are no facilities and programs available for youngsters in the community."

Although Mr. Wingate—and the city administration—say that the Haryou-Act program has made "tremendous strides," considering that the first funds were not received until last September, others in addition to Mr. Zuber and Mr. Marshall have serious doubts.

One member of a group of New York City and State businessmen told several city officials after a tour of the Haryou-Act headquarters last fall that "as a matter of fact, if we were running the city, probably the first thing we would do would be to run a good hard audit on Haryou-Act."

The majority of these visiting businessmen saw little evidence of progress and achievement in the program, which had been designed to ungrade the skills and psychological attitudes of the area's 71,000 youths.

When the program was first conceived, Haryou-Act was described as an attempt to reduce the awesome delinquency and school dropout rate and at the same time combat the general hopelessness and despair of central Harlem's 232,000 residents.

It is precisely this conflict—between the city's claims and the mounting criticism—that reportedly has brought about the call for audits and investigations.

Though he says he is "satisfied" with the Haryou-Act progress and describes the program as the best in the United States, Representative POWELL said yesterday that as chairman of the House Education and Labor Committee, which must pass on antipoverty funds, he still plans to call for an investigation of Haryou-Act and antipoverty programs all over the country.

"This investigation is the first order of business," he said. "Since the program began in my committee I think it's my responsibility to check and see how it's functioning."

Mr. Wingate said yesterday that the program had been somewhat slow in getting started but only because funds had been slow in being released. He said that, as of yesterday, only one-third of the appropriated funds had been utilized.

It was also learned last night that Mayor Wagner's plea for new Federal funds today will also request the setting up of six community project centers to combine all antipoverty services under one roof in various areas of the city.

These program centers, which reportedly will consume the large share of the $11 million, will resemble the Haryou-Act and mobilization-for-youth programs where all of an area's antipoverty programs are consolidated.

These six centers are reportedly scheduled for south Jamaica, Brownsville, east Harlem, Bedford-Stuyvesant, south Bronx, and lower Manhattan.

Criticism of the city's program and its delay in making its Federal request occurred at a luncheon of the Federation of Protestant Welfare Agencies yesterday afternoon.

Lester Granger, former president of the International Conference of Social Work, said, "We haven't got a war on poverty. We have a government pronouncement of an objective. Whether or not we have a real war on poverty is going to depend on this man (gesturing at Mayor Wagner) and you guys and gals."

After the luncheon, Mayor Wagner told reporters that Mr. Granger, "an old friend"—had "made a broad statement."

"We have a lot of programs," said the mayor, who then conceded that there had been "a great deal of delay due to bureaucracy." "We are really just at the beginning," he added. "I think we're ahead of anywhere else in the country."

NEW YORK CITY IN CRISIS—FOR THE CITY'S WAR ON POVERTY, A $500-A-WEEK CONSULTANT

(By Martin J. Steadman)

The city's antipoverty program has a $500-a-week consultant.

She is Mrs. Mary Conway Kohler, one of three consultants hired by the Poverty Operations Board.

The others are Mrs. D'Jaris Watson, wife of Civil Court Judge James Watson, and Sidney Shiff. Mrs. Watson earns $65 a day and Mr. Shiff is paid $60 a day as a consultant on small business problems.

for it is increasingly clear that it is in our national interest to do so.

I thank the senior Senator from Wyoming for his kindness in the past in holding hearings on the metric system, the study of which is being assisted by the National Chamber of Commerce. I hope very much that we shall have hearings before too long, depending upon the heavy pressure of business before the Committee on Commerce.

Mr. McGEE. Mr. President, I suggest that the country owes thanks to the distinguished Senator from Rhode Island for having taken the lead in this measure. It has taken some doing to arouse interest in this measure. The Senator has made a great contribution. He has performed an unusual service in bringing the measure to the attention of the country as a whole.

Mr. PELL. Mr. President, it is because of the spontaneous and parallel action of the U.S. Chamber of Commerce that I took the liberty of discussing the proposal at this time.

CLOSER RELATIONSHIP WITH THE VATICAN

Mr. PELL. Mr. President, now that it is apparent that Pope Paul VI is following the policy of Pope John XXIII in setting for himself the twin goals of peace in our world and closer relationships between our various Christian faiths and even between peace-seeking men of all beliefs, I believe we should take action to help further these objectives. Why? Because the objectives of peace and the general ecumenical movement coincide 100 percent with our own American national interests.

Since this is the case, I believe our administration should take steps to maintain a closer relationship with the Vatican. There is nothing new or novel in this idea. For 73 years, from 1797 to 1870, the United States had consular relations with the Vatican, and in fact maintained regular diplomatic relations with the Vatican from 1848 to 1868. These relations only ended when the kingdom of a united Italy took over the papal states in 1870.

Before and after World War II, from 1939 to 1951, Presidents Roosevelt and Truman sent Myron Taylor, complete with an official staff, as a personal representative to the pope. I suggest that this latter approach, or one similar to it, would be of great advantage to us at this time.

The initiative of Pope John, which Pope Paul continues, puts the Vatican in the vanguard of peace. Pope Paul's historic tours of the Holy Land and India provided a dramatic demonstration of the profound influence for peace which his papacy holds. In this age of possible total and instant annihilation, the U.S. Government surely should be in daily, official contact with the Catholic Church's campaign to literally save the world from its own physical self-destruction.

Simply from the viewpoint of knowing all that is going on around the world and particularly behind the curtain, I believe we are at a serious disadvantage in not having direct access to the Vatican and its information and intelligence.

If such a strong Protestant country as the United Kingdom where Anglicanism is the established church in England and Wales and the Church of Scotland occupies the same role in Scotland, can maintain full diplomatic relations with the Vatican, as it has done since 1928, certainly we can afford to do so.

If reports are correct that the Vatican and the atheistic Soviet Union are considering the establishment of some sort of diplomatic relationship, the United States would even more seem able to afford to do so.

Cardinal Koenig of Austria, who at my suggestion, on April 7, 1964, opened our own Senate with prayer, has actually been named by the Vatican to establish contact with atheistic groups.

In fact, 50 countries, including Communist Cuba, presently maintain diplomatic relations and representatives at the Vatican. Only about half of these nations could be characterized as Roman Catholic nations. Moreover, more than half the members of the U.N. Security Council are among those nations maintaining diplomatic relations with the Vatican.

I am not unmindful of the sensitivities of my fellow Protestants. I am not asking for immediate diplomatic recognition. What I am asking is that the general question of our relationship with the Vatican be once again examined by our administration and that some sort of rapport or diplomatic relationship be established, perhaps in the form of a personal representative of the President.

THE CRISIS IN THE DOMINICAN REPUBLIC

Mr. SMATHERS. Mr. President, the crisis in the Dominican Republic will require the most intensive U.S. scrutiny and vigilance in the next few days.

President Johnson has already taken swift steps to protect the lives of Americans in that troubled island. Four hundred marines have been sent in by helicopter, and additional forces are standing by at sea.

I commend the President for his wise and prompt action in this crisis.

We do not yet know whether this pressure in the Caribbean has been fomented in conjunction with the crisis in Vietnam, to divert and distract the United States.

But we do know this—there is already evidence that among the rebels who seek to return Juan Bosch to power are known Communists who have recently returned from Cuba and Czechoslovakia.

We know that Fidel Castro was behind terrorist activity in the Dominican Republic in 1963—that he shifted his efforts to subvert the Caribbean to the nearby Dominican Republic after failing to shake Venezuela with guerrilla warfare tactics.

I said in 1963, after President Bosch was deposed, that I was more concerned about the Dominican Republic than any other country in Latin America.

Today, more than ever, this island may hold the important key to the future of the Caribbean, and we must therefore move quickly to prevent any break in the dike of hemispheric solidarity.

President Johnson has called in the leaders of Congress on this fast-developing situation and he has our unqualified support.

He has appealed for a cease-fire and advised the Council of the Organization of American States on all developments.

The Council is, at this very moment, reviewing this critical situation and I am confident that working together, this new threat can be met and peace restored to this area of the Caribbean.

The United States has learned from history and does not, I am sure, intend to let Castro widen his sphere of influence or to let the Dominican Republic become another Cuba.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTING RIGHTS ACT OF 1965

The Senate resumed the consideration of the bill (S. 1564) to enforce the 15th amendment of the Constitution of the United States.

Mr. HART. Mr. President, I ask unanimous consent that I may yield to the distinguished minority leader, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator from Michigan yield?

Mr. HART. I am very glad to yield to the Senator from New York.

Mr. JAVITS. Mr. President, the amendment of the Senator from Delaware, which is extremely desirable and attractive in its general implications, raises many serious questions with respect to exactly how the language will be interpreted and what will be the ambit of its interpretation. The Senator has already accepted a modification with respect to confining it to Federal elections.

There are many other practices—for example, those practices engaged in normally by political parties and civic organizations, such as giving voters a ride from their homes to the polling places if they are physically unable to get there, and so forth. All these points are raised by the amendment.

The Senator from Michigan has a series of interrogatories on the amendment which, in my judgment, will determine my vote and will be the fulcrum upon which the program in this field will turn, as to whether it should be a part of the bill, remembering that it is in substitution for what we consider to be a strong antifraud provision which is presently in the bill.

I thank the Senator from Michigan for yielding to me.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a vote be had at 4 o'clock on the pending Williams amendment, as modified, and that the time between now and 4 o'clock be equally divided between the distinguished senior Senator from Delaware [Mr. WILLIAMS] and the distinguished junior Senator from Michigan [Mr. HART].

The PRESIDING OFFICER. Is there objection? None being heard, it is so ordered.

Mr. HART. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. HART. As much as is required.

The PRESIDING OFFICER. The Senator has 35 minutes on his side.

Mr. HART. I shall take 5 minutes at this time.

The Senator from Delaware, some weeks ago, filed an amendment which is now the pending amendment. It is No. 82. Subsequently, the Senator from Delaware appeared before the Committee on the Judiciary and stated very strongly his conviction that a provision to safeguard the purity of elections should be added to the bill. The committee felt that the original draft made adequate provision in that regard, but in our executive sessions, as it reflected by a copy of the bill, certain changes were made in line with the recommendation of the Senator from Delaware. These changes, as the earlier exchanges between the senior Senator from Delaware and me indicated, did not reach the point which the Senator from Delaware had in mind, and did not extend as far as he felt they should.

Along with some other Senators, I had concern that the amendment now pending, if adopted, could in a sense do more harm than good. I suggested that perhaps we did not understand fully the reach or the effect of all the consequences involved.

The Senator from Delaware has been most helpful in reviewing with those of us who had these concerns the purpose which he seeks to achieve by the amendment. In the discussion, we have exchanged points of view which, and when we make them in the RECORD I believe they will tend to persuade all of us that the amendment as now modified is a desirable one and a worthwhile one.

In order to do that I should like to exchange some observations with the Senator from Delaware, if that is satisfactory to him.

Mr. WILLIAMS of Delaware. Yes.

Mr. HART. Would the amendment make it a crime for any group, be it a civil rights organization—I would not like to think of citizens councils—or any other organizations, such as a chamber of commerce, to transport persons to the office of the examiner or registrar, in order that they may register, or to the polls, to vote?

Mr. WILLIAMS of Delaware. I shall answer that question in the same manner that I answered it when I was in colloquy with the Senator from Michigan earlier this week. It does not in any way affect a practice which has been recognized and has been accepted by both political parties and all organizations with respect to helping to transport people who do not have means of transportation to the polls in order to cast their ballots. The amendment does not in any way affect a practice which has been accepted and recognized throughout the country. This is not so intended.

Mr. HART. I do not want to exclude other organizations, but we would include the League of Women Voters and labor organizations. Is that correct?

Mr. WILLIAMS of Delaware. Yes. It includes any group which wishes to transport these people. It might be that the Senator or I would wish to pick up a neighbor and take him to the polling place. The amendment is aimed against transporting someone and paying him $5 or $10, perhaps, to cast his vote. It does not include the mere transportation of a voter. It does not in any way affect the existing practice.

Mr. HART. I believe that is a desirable clarification, and a helpful one.

The next question that concerned some of us, which we discussed with the Senator from Delaware, relates to the encouragement and the organized support of civil rights and other groups—I should emphasize the other groups—annually or periodically to encourage other persons to register and to vote. They do that by a series of devices. They employ staff workers who organize registration drives. They hire these workers and pay them, and they pay for the printing of pamphlets and for the distribution of pamphlets and sample ballots and registration forms, and they provide food and refreshments at registration meetings and rallies. These expenditures are traditional in our system. Our concern is this: Does the amendment offered by the Senator from Delaware intend to prohibit any of that type of activity?

Mr. WILLIAMS of Delaware. No. This is a customary activity that is practiced by both political parties and has been established for a long time. In fact, last night I attended a somewhat similar function of my own political party. We heard some speeches for the good of the order, which I wish my friend from Michigan had been able to hear. This is a common practice. The amendment has nothing to do with the existing practice which has been accepted and practiced by both political parties as well as by other organizations throughout the entire election system.

Mr. HART. It emphasizes again that the reach of the Senator's amendment——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HART. I yield myself 5 additional minutes. The aim of the Senator's amendment is specifically directed at my offering, for example, the Senator some money in consideration of his voting or registering; is that correct?

Mr. WILLIAMS of Delaware. Yes.

Mr. HART. That is the only purpose?

Mr. WILLIAMS of Delaware. That is the sole purpose.

Mr. JAVITS. I should like to pinpoint this matter. The idea is that the offer or the acceptance will be made by the person who is registering or voting. We are not dealing with this whole thicket of indirection of "for the benefit of" and so on, but are dealing specifically with passing money to the person who is registering or voting.

Mr. WILLIAMS of Delaware. The Senator is correct. That is what I have tried to emphasize throughout the whole debate. I wish to make it as clear as it is possible to make it that it is intended solely to prohibit the practice of offering or accepting money or a fifth of liquor, or something—some payment of some kind—for voting or registering.

Mr. JAVITS. Made to the person who is voting or registering.

Mr. WILLIAMS of Delaware. Yes.

Mr. JAVITS. Directly.

Mr. WILLIAMS of Delaware. Directly; yes.

Mr. JAVITS. In testimony before the Judiciary Committee it is a fact that statements were made that voters or registrants were paid wholesale and that they then were herded down to the polls. This we thought was a characteristic of another day, but perhaps some of it still exists today.

I wish to have it pinpointed. I think this is important.

Mr. HART. It is desirable.

Mr. WILLIAMS of Delaware. As I told the Senator from New York privately and as I again state publicly, I am in no way trying to restrict the right of a man to cast his legitimate vote. I believe in that. I am trying to prevent any paying or accepting of payment for such votes or for registration.

Mr. HART. In that connection, there are a number of States which require, as I understand it, that an employer release an employee for a certain period of time in order that the employee may register or vote. No deduction from the person's wage is made. Is it the intention of the Senator from Delaware to reach into and upset such local custom or law?

Mr. WILLIAMS of Delaware. Most certainly not. That is a customary practice. It is an accepted part of our system. I will cite specifically an example of how this has been an accepted part of our system. Prior to the last election both the Senator from Michigan and I were on the payroll of the U.S. Government. We accepted our pay from the Government. Yet we were both out working in the election. It might be claimed that we had a conflict of interest, because we were trying to get ourselves elected.

Mr. HART. At least neither of us was openminded about it.

Mr. WILLIAMS of Delaware. That is right. That has always been an accepted part of our system of government. I would encourage an employer to give his employees time off to vote. I believe that employers should and most do allow their people some time off in order to vote. The amendment has nothing to do with that practice. It is well to clear up that point. I am glad that the Senator has raised the question, because I

The 2d supplemental appropriation bill for 1965 (H.R. 7091)—Continued

TITLE III—INCREASED PAY COSTS (H. DOC. 98)—Continued

	Budget estimate (1)	House version of bill (2)	Senate version of bill (3)	Conference action (4)
OTHER INDEPENDENT AGENCIES—Continued				
Tariff Commission: Salaries and expenses	$95,000	$95,000	$95,000	$95,000
Tax Court of the United States: Salaries and expenses	223,300	223,300	223,300	223,300
U.S. Information Agency: Salaries and expenses	2,454,000	2,454,000	2,454,000	2,454,000
Total, independent agencies	67,303,800	67,303,800	67,303,800	67,303,800
DISTRICT OF COLUMBIA				
(Out of District of Columbia funds)				
Operating expenses:				
Public safety	(4,499,800)	(4,499,800)	(4,499,800)	(4,499,800)
Education	(3,522,500)	(3,522,500)	(3,522,500)	(3,522,500)
Parks and recreation	(244,200)	(244,200)	(244,200)	(244,200)
Health and welfare	(1,294,500)	(1,294,500)	(1,294,500)	(1,294,500)
Highways and traffic	(50,000)	(50,000)	(50,000)	(50,000)
Sanitary engineering	(255,900)	(255,900)	(255,900)	(255,900)
Total	(9,866,900)	(9,866,900)	(9,866,900)	(9,866,900)
Total, title III	587,842,383	579,691,188	583,117,633	583,117,633
TITLE IV				
CLAIMS AND JUDGMENTS				
Claims and judgments (H. Doc. 113)	23,643,495	23,643,495	31,411,444	31,411,444
Claims and judgments (S. Doc. 19)	7,767,949			
Total, titles I, II, III, and IV	2,280,251,327	2,118,333,083	2,257,869,415	2,227,563,977

[1] Includes $30,084,500 increased pay costs.
[2] Includes $29,604,500 increased pay costs.
[3] Includes $29,894,500 increased pay costs.

OPPOSITION TO RETURN TO POWER IN DOMINICAN REPUBLIC OF FORMER DOMINICAN PRESIDENT JUAN BOSCH

Mr. EASTLAND. Mr. President, as chairman of the Subcommittee on Internal Security of the Committee on the Judiciary, and speaking also on behalf of the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA], I wish to call for a firm stand by the United States against the return to power in the Dominican Republic of former Dominican President Juan Bosch.

We have today, in Cuba, one Communist-type government subservient to the world Communist conspiracy.

Establishment in the Western Hemisphere of a second Castro-type government, similarly subservient to the world Communist conspiracy, is the eminent threat which confronts the United States today in the Dominican Republic.

If Juan Bosch, former President of the Dominican Republic, is permitted to return to power the Communists will have won another major victory. Bosch will prove to be, in effect, a second Fidel Castro.

Juan Bosch himself is probably not a Communist Party member. He definitely is an ideological Trotskyite, and therefore, by definition, an ideological Communist. Evidence of his softness toward communism is ample and convincing.

While Bosch was President of the Dominican Republic, not only were the Communists allowed free rein for all their activities, but real power was exercised by known Communists whom Bosch obviously either could not or did not wish to control. Exiled Communist leaders from all over Latin America flocked to the Dominican Republic under the Bosch regime, and the Communists began a drive having as its long-range objective not only a complete Communist takeover in Santo Domingo, but also the conditioning of the people of that island republic to such an extent that this Communist takeover would have majority support among the people themselves. This drive was along two main lines: First, indoctrination of the military, and establishment of Communist cadres in military units; and second, indoctrination of youths, from the ages 16 up, especially in colleges and secondary schools.

The success of this Communist campaign is demonstrated by the course of recent events in the Dominican Republic, and by the situation which confronts us there today.

For the purpose of providing additional details with respect to these matters, we are releasing with this statement important excerpts from a memorandum prepared by the research staff of the Internal Security Subcommittee.

Protection of the security of the United States demands that the United States stand firm against the Communist-directed, Castro-supported drive to bring Juan Bosch back to power in the Dominican Republic. Not only must this country resolutely use whatever force is necessary to protect American lives and property; we must just as resolutely take whatever action is required to prevent the establishment in Santo Domingo of another Communist bastion in the Western Hemisphere.

That is the gist of the crises we face. Now let me fill in a little background.

There was plenty of warning, more than a year before he first came to power in the Dominican Republic, of the coming takeover by Juan Bosch, and of his pro-Communist predilections. For instance, the Charleston News and Courier of July 12, 1961, printed an editorial which began:

Unless the United States is alert, communism will take over the Domincian Republic as it captured Cuba.

The editorial continued:

The Dominican Revolutionary Party headed by Juan Bosch, an exiled group with headquarters in Venezuela, is agitating for so-called democratic reforms. If the existing Dominican government of President Joaquin Balaguer refuses to accept change, Bosch warns that his group will start a revolution.

Bosch is on record as saying he is not anti-Communist. Revolt in the Dominican Republic led by Bosch would be another Red victory in the Caribbean.

Congress should keep a close watch on Dominican developments as the State Department is notoriously sympathetic to Latin leftists.

That warning, and similar warnings, went substantially unheeded.

It is doubtful that Juan Bosch is a Communist Party member. Most probably he is not. Certainly he is an ideological Trotskyite. His whole record proves it. Juan Bosch even named his son Leon Trotsky Bosch, and no attempt ever was made to change that name.

In his campaign for the Dominican presidency, Juan Bosch accepted political support from all quarters. He refused to renounce leftwing elements or the Communist Party. There were reports from reliable sources, even then, that he had received support from the 26th of July Movement, controlled by Fidel Castro.

Jules DuBois, veteran Latin American correspondent for major American newspapers, in his book "Operation America,"

speaking of the election which put Juan Bosch in power, declared:

This election was not held without an 11th-hour drama. A Spanish Jesuit priest accused Juan Bosch, head of the Partido Revolucionario Dominicano, of being Marxist-Leninist, because, in an article published while he was in exile in Venezuela in 1959, Bosch had called Lenin "the archetype of a revolutionary."

According to DuBois:

Bosch challenged the priest to a television and radio debate. The accusation and the resulting debate, in which Bosch proved to be a master of polemic, helped seal his landslide victory over Dr. Viriato Fiallo in a 6-man race. The Partido Revolucionario Dominicano also won 52 of 72 seats in the Chamber of Deputies, and 22 of 27 seats in the senate. Victories were scored in most of the municipalities as well.

Juan Bosch was elected President of the Dominican Republic in December 1962. Early the next month, he came to the United States, and went also to Europe, seeking financial support for his administration. Both in this country and in Europe, Bosch showed reluctance to make any public statement against Communist Cuba.

When Bosch came to the United States early in January 1963, as President-elect of the Dominican Republic, he met what the Washington Star described as "a wave of enthusiasm inside the Kennedy administration for this blossoming 'showcase of democracy' in the Caribbean."

According to the Washington Star of January 3, 1963, unnamed "U.S. officials" were said to "admit that Mr. Bosch has often been critical of U.S. policy in Latin America" but to "maintain" that Bosch was "ripe for conversion." The same unnamed officials, according to the Star, "flatly reject charges that Mr. Bosch is a Communist in disguise."

There is danger today that a similar attitude may tend to lead us, through inaction, into another major defeat, just as great, and just as deadly as the establishment of Castro communism in Cuba.

According to Jules DuBois, writing in his book "Operation America":

It was obvious that he [Juan Bosch] had made a campaign deal with the Communists, who ordered their partisans to vote for him. The intermediary for the deal was reported to have been Angel Miolan, who had served as Secretary to Vicente Lombardo-Toledano in the early 1940's and had taught at Lombardo's Universidad Obrero de Mexico. Miolan was Bosch's campaign manager.

While in Europe, Bosch introduced a comprehensive constitutional reform which raised conflict with the Roman Catholic Church as well as with certain sectors of the labor movement. Msgr. Eliseo Perez-Sanchez, a member of the Council of State, made a public statement expressing "profound consternation." Objected to by both the church and conservative labor elements were several constitutional articles proposed by Bosch, including:

First. A provision that the school system would be "absolutely subject to the organization and supervision of the state";

Second. A provision that the state would not allow religious education;

Third. A provision making divorce easier, and putting common-law marriages on the same footing as civil marriages;

Fourth. A provision authorizing conversion of the economy, and of all property rights—both agricultural and nonagricultural—to a collective basis;

Fifth. A provision against ownership of land by legally constituted societies—which presumably included churches;

Sixth. A provision against allowing any foreigner to file a protest even with his Embassy against confiscation of his property;

Seventh. A provision banning parallel trade unions within a single factory, and putting all labor under the "supervision and protection of the state."

Bosch was installed as President of the Dominican Republic in February 1963, and had a short regime of continual crises. There were various causes for this. His plans for his regime appeared fuzzy. He had been too long an antagonist to be able to slip readily into the role of government administrator. His party—PRD—did not have enough competent people at various levels to form a viable government. There were other problems. But the Communist issue overshadowed all others. While few political observers believed Juan Bosch to be a member of the Communist Party, nearly all were gravely worried by his leniency toward communism, and by the eventualities they foresaw in the fact that Bosch was allowing communism to thrive, to indoctrinate and subvert youth, to build stocks of arms, and to strengthen and consolidate its power in other ways.

During his regime, Bosch refused to denounce Castro. Communist Party groups had complete freedom of action. On various occasions the Communist Party put paid advertisements in the newspapers supporting Bosch or his regime.

When Juan Bosch came into power in the Dominican Republic, Communists from all over the hemisphere flocked there, as I said earlier; and the principal Communist objectives were indoctrination of the young people in the schools, and indoctrination of members of the armed forces.

These are general statements. Now let me cite specific facts which support them. These facts, and others touched upon in his speech, are from records gathered and compiled by the Senate Internal Security Subcommittee.

One of Bosch's strong supporters when he took power was Telma Frias, a Senator of the PRD, and a known Communist. She was one of the founders of the Movimiento Popular Dominicano, which was headed by Maximo Lopez Molina. Molina himself also returned to the Dominican Republic after a long period spent in Cuba. Molina has a long Communist record, including a record of arrest in the United States as a Communist agitator.

Lopez Molina has been openly allied with Fidel Castro and during Bosch's period of power in the Dominican Republic he was actively campaigning in favor of Castroism.

Maximo Lopez Molina was the foremost Dominican Communist during the Cuban crisis. He is back in the Dominican Republic today among the leaders of the present revolution.

In the spring of 1953, Bosch brought to the Dominican Republic one Sacha Vollman, a onetime Russian of Rumanian origin, who later became a naturalized citizen of the United States. Vollman was secretary of the Instituto de Capacitacion Politica (Institute of Political Training) at San Jose, Costa Rica, which was attended by President Bosch of the Dominican Republic.

Vollman became Bosch's constant companion and adviser, and was said to wield considerable power. Cubans who attended the institute at one time or another have reported that Vollman was known for his pro-Communist tendencies.

Among the full-time pro-Soviet agitators who returned to the Dominican Republic after years of exile, when Bosch came to power, were Pericles Franco Ornes, Tulio Arvelo, Tobias Cabral, and Edna Moore. Miss Moore operated in Santiago, the second largest city of the Dominican Republic, as head of a woman's front organization.

At the time Bosch took over the Presidency of the Dominican Republic, the secretary-general of the PRD—Bosch's party—was Washington de Pena, a lifetime Communist. President of the PRD was Angel Miolan Reynoso, who was in Cuba until Perez Jiminez fell, and then went to Venezuela to help organize the pro-Castro group there.

At the beginning of the Bosch regime all appointments to see Bosch, and all jobs in the Dominican Government under Bosch, had to be cleared by Miolan.

By the spring of 1963, a prominent Communist known as "Corpito" Cabral—real name Manual Perez Cabral—formerly resident in Cuba who at the time was president of the Partido Nacionalista Revolucionario—official name for the Communist Party of the Dominican Republic—emerged as apparently in charge of training armed forces cadres.

Training among schoolboys of 16 years of age appeared to be under the charge of one, Dato Pagan, secretary of Cabral's PNR, and a longtime Communist, who was assisted by a number of university and college instructors, prominent among them Jose del Carmen Rodriguez, a professor at the Juan Pablo Durate School who was openly indoctrinating young people in Communist organizational activity.

Bosch's philosophy was described by him as "revolutionary democracy," and he spent a good deal of time talking about it to the campesinos; but he seemed oblivious to what the Communists were doing to his democracy and to those democratic institutions in the island which had survived.

Inroads of the Communist Party were counteracted in part during the late spring and summer of 1963 by so-called "Christian reaffirmation rallies," which were a major factor in bringing about an anti-Communist general strike, which led to Bosch's ouster in September 1963.

Anti-Bosch forces in the Dominican Republic today—not counting U.S. marines—are believed to be both outnumbered, and out-gunned by the revolutionary forces seeking to return Bosch to power.

The first provisional government, set up by pro-Bosch forces, was headed by Rafael Molinza Urena. Provisional President Urena was chosen by the rebels because of his extreme leftist orientation.

This "first provisional government" was succeeded by a "second provisional government" set up by anti-Bosch forces, and composed of Col. Pedro Bartolome Benoit—Air Force—Col. Enrique Apolinario Casado Saladin—Army—and Capt. Manuel Santana Carosco—Navy. An announcement attributed to Antonio Martinez Francisco, secretary of the PRD, broadcast yesterday by Radio San Isidro, said this supposedly "anti-Bosch" three-man junta had negotiated a deal with Juan Bosch's revoluntionary democratic party—PRD. It was greeted with considerable skepticism in diplomatic circles, as there is no known evidence of any Communist tinge in the record of any of these three junta members.

Commander of the anti-Bosch forces is Brig. Gen. Elias Wessin y Wessin, supporting the government of Donald Reid Cabral—who is no relation to the Communist Cabral.

Military field commanders of the pro-Bosch rebel forces are reported to be Col. Hernando Ramirez and Col. Francisco Caamano. Militia units under these two officers, augmented by armed civilians, seemed solidly established in the center of the capital city this morning. These forces were heavily armed, having ordnance able to repel a tank attack. That is the situation into which our Marines moved, on orders of President Johnson.

Intercepts of radio broadcasts from Havana indicate the Castro radio currently is giving Bosch's revolutionary forces full backing. The implications of this fact were clearly pointed out by Dr. Carlos Prio Socarras, who preceded Batista as President of Cuba, in a statement made today at his home in Miami Beach, Fla., to a staff member of the Internal Security Subcommittee.

Said Dr. Prio:

Juan Bosch had been my secretary for 12 years. I do not think he is an out-and-out Communist, but I would not doubt that he would enter into a pact with the Reds in order to return to the presidency of the Dominican Republic.

Proof of it is that Castro defended him, something that he did not do when he (Castro) organized the invasion of the Dominican Republic in June 1959. At that time, Castro utilized outright Communists, but now that Bosch can be a vehicle for a Communist takeover, he did not hestitate to give Bosch his backing. There is other proof that this is a very serious attempt at a Communist takeover, because the fact is that the insurgents burned the headquarters of the Vangisardia, a democratic political organization not connected with the government, and of left-of-center political orientation.

Mr. President, those are the facts.

It seems clear that we are in danger of repeating, in the case of the Dominican Republic, the same disastrous cycle we experienced in the case of Cuba: first tolerance, then endorsement of a candidate who professes to be anti-Communist, but who nevertheless is supported by the Communists and who permits them free rein; finally debacle when this same candidate proves himself to be openly pro-Communist and pro-Soviet.

How many times must we be bamboozled before we learn from bitter experience?

Do we dare endanger our national security by permitting the enlargement of the Communist Latin American bridgehead to another country just a stone's throw from our shores? The strategic importance of Santo Domingo, as an island bastion of communism, is apparent from one look at the map. The propaganda importance of the establishment of another Communist base of operations on the Caribbean can hardly be overvalued.

Mr. President, the islands in the Caribbean are the soft underbelly of the United States. Once they were occupied, or once missiles were placed there by the Soviet Union, in my judgment, this country would be defenseless. We must prevent a step-by-step attempt by the Soviet Union to control the islands of the Caribbean, because those islands, armed with modern weapons, control the defense of the United States.

Mr. HRUSKA. Mr. President, will the Senator from Mississippi yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. EASTLAND. I am happy to yield to the Senator from Nebraska.

Mr. HRUSKA. The information contained in the remarks of the Senator from Mississippi, in the main, have been gathered from records and the archives of the Internal Security Subcommittee although, of course, other sources have also been utilized in compiling these facts.

This data reveals a remarkable parallel between the careers of Bosch in the Dominican Republic and of Castro in Cuba as they developed prior to Castro's absolute takeover of the Cuban island itself. This parallel is found not only in the ideological backgrounds of these two men but also in their activities and the programs they espouse.

Mr. EASTLAND. Is it not apparent that once the Dominican Republic is taken over, from that very second, Haiti will fall?

Mr. HRUSKA. That would be an inescapable development. With a hostile government established on one side of the mountains which separate the two countries, a takeover of the shaky government in Haiti would be inevitable and would come in short order.

Mr. EASTLAND. And from there the whole island of Hispanola?

Mr. HRUSKA. Once the dominoes started to fall in that area further exploitation and further occupation would surely follow.

I ask the Senator from Mississippi, if it is not true there is also a clear parallel to be found between Bosch and Castro in that while each has frequently denied that he was a Communist, or a member of the Communist Party, nevertheless, each has surrrounded himself with close associates who are hard-core, well-trained, and well-known Communist leaders? The Senator from Mississippi has documented these facts with reference to Bosch in his statement and history affirms them regarding Castro.

Mr. EASTLAND. The Senator is exactly right. It is apparent that the Communist leaders are not there for nothing. They are there for a purpose.

What is that purpose?

The purpose is to take over the government of the Dominican Republic exactly as it took over Cuba and took over Castro at the same time.

Mr. HRUSKA. Bosch as a figurehead will provide an excellent instrumentality behind which the Communists can accomplish their purpose.

It is clear that it does not matter whether Bosch is a Communist or not. If he surrenders himself to those who are subject to the discipline of the Communist Party, and if he allows them to implement a program similar to the one which he outlined when he was in Europe prior to his inauguration as President in 1963, the damage will have been done. The control will have passed into Communist hands. Then we shall have a second Castro-style government, working hand in hand with Cuba, working not only to subvert the Caribbean area but Central and South America, too. Is that not about the way it would work out?

Mr. EASTLAND. Of course, that is exactly what is at issue. He is a man who is controlled by the Communists. It was evident that he was heading in that direction when he was overthrown in the Dominican Republic. According to Radio Havana, it is evident what Mr. Castro's intentions are: to take over the Dominican Republic.

Mr. HRUSKA. There is another aspect of the situation, I am sure, which has occurred to the Senator from Mississippi. This would be an opportune time, for the Communists to capitalize on this kind of action for our attention and our resources are directed toward the situation in Vietnam. We are now building up our own forces in South Vietnam. This represents a most opportune time for the Communists to commence an operation of this kind in the Dominican Republic. History should have impressed us all with the opportunistic ruthlessness of the Communists. The timing of the action in the Dominican Republic is ideal for their purpose and does not appear coincidental.

Mr. EASTLAND. The distinguished Senator from Nebraska is exactly correct.

Mr. HRUSKA. Our experiences in the past should alert us to the pitfall which the Senator has referred to in the concluding paragraphs of his statement:

It seems clear that we are in danger of repeating, in the case of the Dominican Republic, the same disastrous cycle we experienced in the case of Cuba: first tolerance, then endorsement of a candidate who professes to be anti-Communist, but who nevertheless is supported by the Communists and who permits them free rein; finally debacle when this same candidate proves himself to be openly pro-Communist and pro-Soviet.

Mr. EASTLAND. Is it not true that the Soviet Union desires to outflank the defenses of the United States. There is one way to do it; namely, to place missile bases on those islands in the Caribbean. Is that not their ultimate objective? Was that not their intention when they moved missiles into Cuba?

Mr. HRUSKA. That is undoubtedly one of their major objectives. A look at the map drives home some appreciation of the strategic locations of Cuba on one side of Florida and the Dominican Republic and Haiti on the other side. This must convince anyone who wishes to be realistic in his thinking, that we cannot allow the Dominican Republic and then Haiti to go by default as we did in the case of Cuba. The future of not only the United States but all of the Americas is involved for to allow Bosch to regain control is to give the Communists with another base in our hemisphere not only for their missiles but also for their ideaologies which are equally lethal for free men.

Mr. EASTLAND. Does not the distinguished Senator from Nebraska realize that this is a fight in the Dominican Republic today against communism and against a Communist takeover of the country. That is exactly what it is. Bosch is a man who is a tool of the Communists. He has always been a tool of the Communists.

Mr. HRUSKA. The Senator has documented the situation very clearly and the evidence is convincing. While there has been no proof of open support by Castro, we have learned of the use of high-powered weapons in the fighting which occurred yesterday and today in the central part of the city. This equipment could come from only one source. Its origin undoubtedly can be traced and will be traced in due time.

It would come as a distinct surprise to this Senator if these weapons were not from a care package, Communist style. The presence of heavy armament in the hands of the rebels serves to further document the conclusions of the Senator from Mississippi.

Mr. EASTLAND. I have noticed one thing, that the Soviet Union and its satellites do not give away weapons for nothing. It is absolutely obvious that they have armed Bosch's people in the Dominican Republic. They have better arms and better equipment and can outgun the opposition down there. Those weapons were put down there for one purpose and one purpose only; namely, to take over that country.

To take over that country for what purpose?

To take it over for communism.

Mr. HRUSKA. I was interested in the Senator's observation that when Bosch visited this country after his election and prior to his inauguration, it was denied by unnamed officials in this country that Bosch was a Communist. Those statements were reminiscient of the assurances given when Castro visited this country prior to his takeover of Cuba.

It is my belief that in the last analysis, whether Bosch is or is not a Communist is academic. Experience indicates that the ultimate outcome can be no different than it was with Castro. The fellow traveler cannot get off the train once he turns control of the engine of government over to the Communists. The evidence indicates that Bosch has surrounded himself with hard core Communists. He has left himself no recourse but to endorse their plans.

That day will come for Bosch for this is the pattern set by the Communists and the one which is always followed.

Mr. EASTLAND. The Senator is correct.

Mr. HRUSKA. I thank the Senator for yielding to me and to make these comments.

Mr. EASTLAND. Mr. President, I return, as I began, on behalf of myself and the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA], to a call for firmness and fearlessness in handling this situation. The United States must do whatever is necessary to prevent the threatened Communist takeover in the Dominican Republic.

INDONESIA—LAXITY IN FOREIGN AID

Mr. MILLER. Mr. President, the United States, through fiscal year 1964, furnished Indonesia $937.7 million in assistance under our foreign aid program.

In fiscal year 1964 alone, this aid totaled $56.7 million.

Indonesia's President Sukarno has used the money to purchase ships, to develop harbors, to modernize railroads, to rebuild plants, to shore up consumer industries, to build cement and paper pulp plants and mills, to train air technicians, to train propagandists—though this was politely termed "mass media education."

And I notice, from various Agency for International Development reports, that there are many active projects within Indonesia for which we are apparently still committed to expend funds for some time.

These include that country's national agriculture program, completion date set for June 1968; an industrial and mining program, completion date set for June 1967; two transportation programs, involving maritime operations and air transportation maintenance, both set for completion this June; two programs involving labor leadership and training, the first scheduled to be completed June 1967, the second June of this year; two health and sanitation programs, to be completed next year and in 1967; two programs relating to education, one set for completion in June 1967, the other in June of this year; a public administration program, to be completed in June; and three programs for improving technical information services, to be completed June 1965, civic action activities, to be completed July 1966, and one for technical support, to end in June 1979.

And now that we have poured nearly a billion dollars of aid into his country, what has been the return from Sukarno?

First. He has told us to go to hell with our aid.

Second. He is and has been pushing efforts to force the United States out of South Vietnam, to drive the Western Powers from southeast Asia.

Third. He has directed his guerrillas to invade Malaysia.

Fourth. He is openly in collusion with Red China and other Communist nations, and he has pulled his country out of the United Nations with a view to organizing a Communist bloc organization.

Fifth. He has seized three U.S. owned oil companies.

Sixth. He has forced closing of USIA libraries.

Seventh. His Communist labor unions cut off gas and electricity to U.S. facilities.

Eighth. His Communist postal workers' union has imposed a mail and telegraph boycott on the U.S. Embassy.

Ninth. He has made it nearly impossible for U.S. news correspondents to send out dispatches.

Tenth. He has issued orders requiring all U.S. diplomatic personnel in Indonesia to inform his Government in advance of any travel plans within the country.

Additionally, there are now reports that he would like to force a break in diplomatic relations with the United States.

I, for one, would have no objection if diplomatic relations were severed.

How much Indonesia has taken us for is revealed in a report by the Comptroller General dated April 15. This report is one of the most disturbing indictments of the State Department's "let us get along with everyone and hang the cost" policies I have seen.

In an examination of what can only be described as "unusual favoritism" toward a nation which has long used the United States as a whipping-boy, the Comptroller General reported:

> As of June 30, 1963, the United States had sold Indonesia $345.8 million worth of surplus agricultural commodities under the provisions of Public Law 480. Sales provisions provided for varying percentages of rupiah proceeds to be set aside for U.S. use, the latest Public Law 480 agreement entered into in February 1962 providing 10 percent for this purpose.
>
> Under the terms of the agreements, rupiah sales proceeds have been deposited at "official" rates of exchange that bear no realistic relationship to the actual internal purchasing power of the rupiah. Thus, the 1962 agreement provided for an official average exchange of 52.03 rupiahs to the dollar, compared with unofficial average rupiah rates to the dollar of from 985 to 1,259 during 1963. It is thus evident that little financial benefit has accrued to the United States from Public Law 480 sales in Indonesia.

Let me repeat two sentences:

> Under the terms of the agreements, rupiah sales proceeds have been deposited at "official" rates of exchange that bear no realistic relationship to the actual internal purchasing power of the rupiah. * * * It is thus evident that little financial benefit has accrued to the United States from Public Law 480 sales in Indonesia.

These two sentences should be weighed in the context of another paragraph in that same report:

> A recent change in the official exchange rates in Indonesia has resulted in an exchange loss of $130 million on the U.S. rupiah proceeds from Public Law 480 sales.

In other words, Mr. President, that $130 million has been now written off as